

Closed Caption Log, Council Meeting, 08/04/11

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S and c dominick chavez dom nick thompson and night curt kurt kurth and andrews and cut andrews and curt andrews and kurt andrews kurt andrews kurt enterprise asset raleigh recall i stat com mar que mar que mar kay good morning. I'm austin mayor lee leffingwell and we'll begin with our invocation by father isidor ndagizimana who is the pastor of the catholic church. Pastor, please feel free to correct my pronunciation on that. Please rise.

Let us pray. Heavenly father, creator of heaven and earth, stretch out your hand in pleasing to these men and women, members of our austin city council. Give them the spirit of wisdom to know what is right and just for the people they govern. Give them the spirit of courage to make and implement good decisions, even if they may risk personal popularity. May they be men and women after your own heart seeking to please you about their personal agenda or their own interest parties. Give them the assurance that they serve you well by serving your people. Grant this our prayer through your son, whom you sent into the world to show us the way of truth and salvation. He's the king of kings. He lives and reigns forever and ever, amen.

Mayor leffingwell: amen. Thank you, pastor. Please be seated. A quorum is present so I'll call this meeting of the austin city council to order, thursday, october 4, 2011 at 10:07 a.m. We're meeting in the council chambers, austin city hall, 301 west 2nd street, austin, texas. Changes and corrections for 4 is withdrawn. 24, add as an additional sponsor council member chris riley. Item 30 postponed until august 18 at the request of council member morrison. Item 31, strike the words "austin bat faced, fest and -- so it reads for the city of austin co-sponsor united event. Item 33, add the words "on komen, " our time certain items for 30 scheduled morning -- quarterly briefing by austin energy. 00 Noon citizens communications, 2:00 p.m. We'll take up our zoning matters. 00 we will recess the council meeting and call to order a meeting of the austin housing and finance corporation board of directors. 00 we'll have our public hearings. 30 live music and proclamations. The musician for this afternoon is bill baird.

Cole: mayor? mayor pro tem. 26 I have some minor changes and I'm going to pass that out. It's in items from council. item 26 will be pulled for executive session.

Cole: okay. The. the consent agenda for today is items 1-33 with several items pulled off of that, which I will announce in a minute. I'm going to read item no. 20, Which are appointments to our boards and commissions and waivers for some individuals. They are, to the animal advisory commission, sarah palmar newhouse nominated by tovo, the asian american resource center advisory board, ashan cowgri, by morrison, eve m art your, martinez, bond oversight committee, by council member tovo, building and fire code board of appeals, scott talky by council member tovo, building and standards commission donald gonzales, council member martinez, commission for women, plan or revoke, council member morrison, community development commission, angelica noyiol a, representative from the montopolis area by council member morrison and karen kopf by council member riley. Lek utility commission philip smant, riley, ethics review commission austin caplan, mayor leffingwell. Historic landmark commission lorri lynn bocer, council member riley, and the tovo. Impact fee advisory committee, brian rogers, council member morrison, planning commission, diane committee, council member spelman. This will include policy board, kathy goalson, council member tovo, urban forestry

board, christopher pike, council member morrison, urban renewal board, michael clark madison, mayor leffingwell and christina de la puente vala dez, mayor leffingwell. Nicki fish back riley, waterfront planning advisory board, cory walton, council member tovo. I'm going to read also into the record -- there is a resolution naming all the council members to council committees and other intergovernmental bodies but I'm just going to read the new appointees. To the audit and finance committee, council member tovo, to the committee for emerging technology and communications, council member spelman. To the minority-owned and women-owned business enterprise and small business council committee, council member tovo, to public health & human services council member riley, to the board of directors of the austin-bergstrom international airport development corporation council member tovo, and i would also add that council member cole is added as vice president and council member martinez as a member of the board. The mueller local government corporation, council member tovo is added, the tax increment financing retirement zone board 15, council member tovo, tax increment financing zone 16, add council member tovo, to the increment financing retirement zone 17 board, council member tovo is added. To the increment financing 18, council member tov added. To the capital area council of governments executive committee, council member tovo is added. Capital area council of governments generally assembly, council member tovo is added. To the campo capital area metropolitan planning organization policy board, council members martinez, morrison and tovo to serve as alternates. To the city of austin independent school district board of trustees and the travis county joint committee, add council member tovo. To the community action network resource council add council member tovo. The police retirement board, council member tovo. And I believe those are all of the changes or additions to council committees and intergovernmental bodies.

Morrison: mayor? council member morrison. just one clarification. The community action committee resource council was renamed to the community action board of directors. I don't know that that actually filtered all the way through our system. it has not but it has now.

Morrison: thank you. so noted. And also add to that list, to the com street board of directors mayor leffingwell. -- To the pecan street board of directors mayor leffingwell.

Martinez: mayor? council member martinez. can we pull item no. 15? I just have one brief question of staff. I will add that to the lengthy list. 15?

Martinez: yes, sir. and I'm trying to find the item that has to do with the public hearing on the susan that will also be pulled from the consent agenda by mayor leffingwell, myself. So the following items are pulled off the consent agenda, items 4 and 7 are pulled off by council member chris riley to be considered after the austin energy quarterly briefing. 9 will be pulled for a brief presentation by staff. 21 is pulled off consent by council member spelman. 26 is pulled off consent to be heard after executive session. 28 is pulled off consent to be heard after executive session. Items 12 and 48 are pulled off consent, and they will be heard together after the time certain for item 48. 9 and 29 at the request of council members morrison and spelman, those items are pulled off consent time certain. 33 is pulled off the consent agenda. I simply want to address the time for the public hearing. And I would also say that i 4 was pulled by council member riley. That item has been withdrawn. Council member tovo. I have a quick comment about 46, but --

mayor leffingwell: 46? just a quick comment. Very brief. so item 46 is pulled by council member tovo.

Cole: 2:00 zoning. oh, sorry. The following items have been pulled off the consent agenda due to speakers signed up on those items. They are 5, 7, 10, 23, 25 and 28. 28 Has already been pulled for executive session. So is that confusing enough for you, city clerk?

I believe 27 has also been pulled. And not 7. so pulled off consent agenda add item 27. Item 7 will --

item 7 you just pulled for speakers, mayor.

Mayor leffingwell: yes. So I believe that's our consent agenda for today, what's left of it. I'll entertain a motion to approve the consent agenda.

Cole: move approval.

Spelman: second. mayor pro tem moves approval, second by council member spelman. All in favor say aye -- council member morrison? I think this is the normal time when we might say this comment and that is that item 49 is set 00 and it's my understanding that they're going to request a postponement on the open space ordinance. well, we -- we'll give that as advance possible notice, but we can't make that formal until 4:00 p.m. So all in favor of the consent agenda say aye.

Mayor leffingwell: aye.

Guernsey: aye. opposed say no. Passes on a vote of 7-0. 9 will be fairly quick so we'll call that item up first.

Spelman: mayor? council member spelman. I believe we just agreed to postpone it 00 right after the austin housing and finance committee board meeting. stand corrected. 9 after 3:00 p.m. So call up item no. 5. Two speakers, clay defoe, signed up against. You have three minutes.

Good morning, ladies and gentlemen. I'd like to thank everyone for coming today. I am becoming more suspicious of the so-called land management items on the agenda. I am seeing exorbitant waste in our system, and it is only our people on which suffering will be enacted. This so named security enclosure is nothing more than a high tech fence, a deterrent to crime at best. At worst, and what is my suspicion, is that it may be very close to this at worst scenario, is that it is an unnecessary fence, an unnecessary fence built to for something that may, in fact, not be wholly required. We should give minority-owned businesses encouragement and support and promote their involvement in a healthy, truly competitive business environment here in austin. But I believe this type of project will enrich austin at the expense of every individual taxpayer. You will quickly squander hard-earned tax dollars for a project to nowhere. Building a fence does really very little to strengthen or even sometime late the economy. Some of the greatest fences in the world were built not to protect those on the inside from those on the out, but rather to imprison, watch and control those situated within their confines. Think of the berlin wall, first started in the early post-war period. It became a symbol of division, government extravagance and pigheadedness. Think of the new border wall now at our own border, the highest tech surveillance in the world and they can't even control the border still. Think of the walls built in northern ireland, austria, and yes, the great wall of china in times of totalitarian devastation. The greatest economic advances in our world history are always developments which are durable, self-sustaining and longlasting, inventions and new machines which like the washer and the drier, the electric stove top and the internet have undoubtedly enriched our lives. This high tech fence has no place in the true protection scheme of austin energy. Even with a fence the substation will still require guards to be employed and paid in order to watch and deter any miss decree ant behavior in the sensitive area of our infrastructure. I would assume those measures are already in place, the station well protected, as provided for by this council, as it should be, and the need for a fence is simply superfluous, and another example of this city trying to invent projects where there simply is no demand. As your constituent went living here in austin, texas I hereby instruct you to vote no on this ymg. Thank you. time -- on this item. time expired. Thank you. 10 - - excuse me, one more speaker on this item, ronnie reeferseed. Ronnie reeferseed in the chamber? Okay. No more speakers on this item. Entertain a motion on item no. 5. Council member spelman moves approval, second by mayor pro tem coal. Discussion? All in favor say aye.

Aye.

Mayor leffingwell: aye. Opposed sa no? Passes on a vote of 7-0. Item no. 10. First speaker is clay defoe.

Good morning again, ladies and gentlemen. I hope you are paying close attention to this agenda. It is getting ever dangerous and I am proud to stand up here and speak against this item as well. This item authorizes -- negotiates and executes an amendment to legal services agreement with Andrews Kurth to provide legal services related to minority enterprise program, increase funding by 100 k for a total contract not to exceed \$100,000. I spent last week talking about how we don't need to pay law firms. I won't go into all that but I will go into the specifics here.

I've heard like about mbe/wbe here in the council, other people speaking. I truly appreciate these people. Their enthusiasm for actually living within the city limits of Austin and having to deal with all the corruption and the deceit at top that starts with you guys. They are the soul of Austin and I would happily concede this issue to them in a point of compromise and respect. Paul Sal Dana is an excellent speaker, my friend if I can call him that. Carol Hadnot is an upstanding citizen, someone who cares. Who is your community? Mine is Austin. Where do you reside, sir? I have respect for people Saldana and Hadnot because they care. I don't see much care in the business you-all conduct each grinding, sickening week. Give me a doctor. I'm about to have a breakdown. This city hall is out of control. Where were you guys educated? Well, I can attest, I grew up in Texas in a city not too distant or too different than the one in which we all reside, in which we all reside together, may I emphasize, Mr. Chairman. That's why I respectfully disagree with the other activists who are out fighting a good fight, no handouts, no special deals for anyone. That's my approach. If you want to talk philosophy, sirs and madams, please come to my office. The door is wide open. Is your mind open? Is your mind open, Mrs. Cole, Mr. Spelman? Silent over there? Please join us and start saying no. We are sick of it. I will need a doctor, ladies and gentlemen. I am not feeling well. Thank you, kind fellow citizens. I would gladly have to help you raise my children. I don't know if I can say the same of this panel. Please stand up for our individual rights. There is no such thing as society. It is an obstruction, an abstraction, I claim. All we are are individuals, and I hope you will respect that and stop giving out special deals. Please vote no. Thank you. [Applause] Next speaker Reefersed. Signed up against, and you have three minutes.

Thank you, sir. Well, I can't top him. He's a role model for all of us, and we really need to start paying attention to Clay. He's on top of things. And for one, on this issue, what is funding for the remaining contract term is con tin Janet upon available funding and future fiscal years? For ay? Is that a threat from thugs or please explain it. How did that go from 10 to \$100,000? What's -- why is it more 7, which was not even discussed, more money for more lawyers, for what? It's not really spelled out what the deal is. Why do we have to give them more money? 5, which I was busy signing up for and I didn't get to speak about the useless scary enclosure fencing. I don't know what you-all are doing about that. What got me here was thinking about the scary fema camp that's being -- the airport is being turned into, and how -- how and why did you-all just lockstep in unison go along with something like that? Don't you care about the life and death of your fellow citizens here? We're trying to -- with the help of people like Clay, we're trying to stand up to the corporate thugs that are just raping our nation, and especially here, the beautiful town of Austin. Thank you, Mayor, and we have to quit giving these special deals to these special thugs, and that goes for our new Ms. Tovo. I'm glad she's there to -- on the issues that got her into office, but she doesn't -- I hope she also understands that the people who put her in office were also very disgusted with the fluoride situation. We're sick and tired of poisoning each other and poisoning our pets, poisoning our gardens. It's -- and the person you replaced was the person who did her dog and pony show and really made a fool of herself and threw away her political career on that very issue, and I hope you don't do it. I hope these other people are starting to wake up. We're awake now. We know about fluoride. It kills us. We don't want it. Stop stealing our money to put it in our water. We don't want it. How many times do you have to hear this? And you sit there and you chuckle, Mr. Mayor. Ha, we're not going to deal with it. Well, you're going to start dealing with it. Pretty soon you're going to stop laughing at us. We're citizens, we care. We have knowledge, we have facts. We're sharing that with our fellow citizens. So time is up. Thanks a lot. [Applause] Those are all the speakers. I'll entertain a motion on item no. 10. Council member Martinez moves approval, second by council member Morrison. Discussion? All in favor --

Spelman: yes, Mayor. Council member Spelman. Although ordinarily when Reefersed makes a comment, if I've already thought about the issue and disagree with it, I won't usually call him up to

discuss it. In this case I noticed that the backup on the item is no more -- is nothing other than the agenda item itself, and I think you're asking a very good question, reeferseed, and we're not explaining why it is that this -- these legal services will be particularly helpful for the city. I wonder if you could explain or someone on your staff could explain what exactly these lawyers will do and why we need to hire them.

Yes, council member. This item relates to helping the city stay in compliance with federal laws relating to our contracting program, because we have an affirmative action program that we use in tt construction contracting program. And this law firm is a well-known law firm in this area and has been assisting the city in these matters for well over 15 or 20 years. And so this particular item amends the current contract that they have to help us, you know, walk that minefield that is continually changing law in that area to keep our program strong and robust. so they will be hired on an as-needed basis. We're not necessarily promising to pay them a certain amount of money, but when we need them they will be around -- they will be available?

That's correct. And all of our outside council contracts, we require the law firms to give us an estimate based upon the scope of work that we provide to them, and so this is an estimate for over the next year based upon the scope of work that we think we may have coming up on mbe/wbe issues, what they believe that service will require. And frequently the firms don't use all the money that the council approves. However, we try to get a best estimate so that, you know, the council and the public kind of knows what that amount will be. andrews kurth is particularly suited to handling this particular bit of legal work for us because they specialize in this?

Yes, sir. The lawyer who helps us with that confirm is a gentleman by the name of leno mendyoala, he has been working on these issues well before I came to the city. He and his firm helping for many, many years helping guide us through all the issues related to affirmative action program that we have in our mbe/wbe program. When the city was challenged on that program, that law firm defended us successfully, so he has a lot of expertise in that area. I think many of the members of the mbe/wbe committee know him well because he frequently appears there, as well as the citizen committee, that help with some of the issues that come before them.

Thank you. all in favor of the motion say aye.

Aye.

Mayor leffingwell: aye. Opposed say no. Passes on a vote of 7-0. We'll now go to our quarterly briefing by austin energy.

Good morning, mayor, council, and city manager. I am larry weiss, general manager of austin energy, and the communally owned utility. And I'll be presenting our quarterly report. This is our third quarterly report, and it was set up by resolution in 2010. It will come every quarter. Today I'll be covering four issues, the financial report for quarter 3, our rate review status, the austin energy wind resource acquisitions and solar resource acquisitions. To start with I want to say that at this time, since i have the podium here, that we are under a very extreme and stressed electric service conditions in the state. Ercot is doing everything they can, we're doing everything we can, to keep our resources running, and what concerns me, frankly, is that if we lose any major resources, as tight as the state is, we will have a problem and it will be very fast when we have one, and it will be late afternoon. So let's all do what we can to conserve energy and keep us operating, and we see the trend to continue for the next week or so, at least. So with that I'm going to have elaine hart, the senior vice president and chief financial officer from austin energy come up and do the finances for the third quarter. And then I'll finish the rest. Thanks.

Good morning. I'm glad to be here this morning. I'll cover the -- as larry said, the quarter 3 performance. As you can see here on the slide, weather is dominating much of our performance this year, and so

much of my presentation will cover its impact on our revenues. Just as an overview I'll -- this graph shows how we break down our 2011 budget. I won't cover it in detail. On the left is our sources at a billion two thirty. And on the right-hand are our uses at a billion 282. And I do point out that we do not have a structural balanced budget this year. As our uses are exceeding our sources. This is the third year in a row that we have been relying on our operating reserves to cover some of our uses. Drivers of our revenue stream include the economy, certainly the weather impacts us, customer behavior, how much energy consumption there is, as well as our fuel cost. Fuel cost is a pass-through with no profit added, so as our fuel costs fluctuate, so will our fuel revenue. Major drivers on the uses side include our personnel and benefits, contractual services and escalations in the contracts, major contracts include meter reading, billing services, our line clearance, which affects our reliability, fuel cost also is a major driver, and then on the capital improvement side that both -- that is also a driver of our uses. This slide is an overview for quarter 3. There are lots of numbers on this slide, and I won't go over all of them as the next slides will cover this information more graphically. But these numbers represent a comparison of our budget. Then the allotment of that budget, so the allotment is three-quarters of the budget, roughly. Then the actual performance, and then there's a difference column that shows the actual versus the allotment. And as you can see at the bottom there's -- next to the bottom line says excess deficiencies. We budgeted a \$52 million deficiency. O allotment through the year -- and it is not just divided by three-quarters. Our allotment through the year, we expected a \$69 million deficiency, but we have had better performance so we're -- we're only at a \$35 million deficiency through the quarter 3. Now, I'll have a couple of graphs that cover both the revenue side and the expenditure side. This graph is a comparison of our four-year history, actual history for the -- through the quarter 3 for the past four years, and then the green on the right-hand side is the current year allotment. Again, our actual results are affected by the economy as well as the weather, and weather has been the major driver the revenues this year. This is a graph of just a portion of our revenues. This is the base electric sales, which is the primary resource that will provide to cover our nonoperating -- nonfuel costs. Our annual budget for base revenues is 613 million, and that's about 50% of our total revenue sources. Our current year estimate is coming in above our budget by about 11 million, and that is based on the estimate through may, which is in our proposed budget. And then you can see that the actual performance for quarter 3 is \$426 million, and that is 20 million higher than the performance last year, but we have had fairly flat revenues over the last three or four years, but we are having better performance this year. This graph shows monthly comparison of budget to actual. Again, this is just a base revenue, 50% of our revenue. And you can see that we've had -- we've exceeded our budget in every month except for november. In june and may we were ahead of budget by 3 million -- over 3 million each in those months, and july, preliminary results show that we're about 4 1/2 million over budget, so having a very good revenue year, albeit not enough to cover our deficit. So we will be in better position at the end of the year, and the major reason is these additional sales based on the heat. Our requirements, this is a similar slide to the revenue slide you just saw, comparing four-year history, and in the far right-hand column is the allotment. The difference here is that we break out each year into the major components of our requirements. The yellow portion being the nonfuel requirements, personnel, contracts and commodities that we purchase. The green is the transfers for the general fund transfer, transfers to our own capital program and then transfers to our debt service. And then the blue section is our fuel cost. Again, our annual requirement budget was 1.2 billion. We are expecting about \$100 million favorable variance by year-end, and we are currently seeing favorable variances on our expense side, savings both in power plant equipment, maintenance due to some long-term service contracts that the council recently approved, as well as lower billing costs and less use of temporary services for our call center. In summary, this is a comparison, again, lots of numbers, but it compares our original budget, our amended budget versus our estimate at year-end. Again, we are expecting better performance this year but not sufficient better performance to resolve our deficiency issues. So we're still relying on our operating reserves. And that concludes my section. I'll turn it back over to larry.

Well, thank you, elaine. Next I want to talk about our rate review status. I think the council is well aware that this is going to intensify as we move towards the winter. Our plan is to -- I'll talk about our schedule, but our plan is that -- I should state up front, that we have not designed any rates yet. We have done our cost of service work. I'm aware that there are some communications that we have a design in place and it's not fair, et cetera, but we have not got there yet. We will deliver to the euc in september the first rate

proposal, and we're working on it. It's -- it's in the kitchen, so to speak. So I'm going to first start with our strategic plan. Austin energy's strategic plan includes financial integrity, our great credit rating, and that's a credit rating of the city as a whole and austin energy. Our energy resource plan, 800 megawatts of energy efficiency by 2020. 35% Of the energy we deliver to our consumers from a renewable energy source, and 200 megawatts of installed solar generation that is destined to austin energy consumers. Excellent customer service and very important in these times, exceptional reliability. Austin energy is at the top nationally in public power systems for reliability. Our rate review objectives were to align with those -- the strategic plan, the generation plan, all the components, to ensure the utility's long-term financial strength. Fairness, very important. Equitable distribution of costs, always difficult in rates and rate making, based on the cost to serve. And established new rate designs and structures so that we remain competitive with a sustainable revenue. We have incentives for energy efficiency and solar. We have among the best energy programs. We have a great green choice program and solar programs. We want to have rate designs that help those become even better. And meeting the changing customer needs for electric vehicles. You have seen some media lately on that. Our principles are the economics of cost of service, so we've been doing a lot of work determining what our costs really are. We want fairness, to utility financial strength. And I've shown this chart to you before. I think several of those are not business decisions by austin energy staff but they are policy decisions. One of the suggestions that we're making as we good through the policy goals is to come up with some metrics. These are draft. They are -- they aren't exact, but they are a start from our perspective of some policy goals and some metrics. Let me read through them real quickly. The first one is to achieve our revenue requirement. You heard from elaine and you've heard from us in the past that we have a deficit in revenue. To achieve our plan, our strategic objectives, we must have an additional amount of revenue. Align our cost of service to minimize subsidies across customer classes. The challenge in the electric utility industry is that we have generally three primary customer classes: We have residential, commercial and industrial. Some are large commercial and industrial, but basically those are the three classes. The difficulty is having subsidies between all those different classes, and we've struck a metric here to think about that is no class pays greater than 105% or 95% of our cost. In other words, there's a 5% swing one way or the other, knowing that we can't get it exact. Is that number 5% right? I don't know. It's a policy decision. It could be 10. That's a suggestion on our part for a metric. The other one is to provide affordable energy to consumers, that no residential customer electric bill below 1500-kilowatt hours per month to increase by more than \$20 a month average. Our average is slightly less 90-kilowatt per hour so that would impact them even less. Transition nondemand secondary commercial customers to demand rates. That's technical, but what it means is we have a lot of commercial customers that are not on demand rates, which is a rate that determines on a rolling 15-minute during the month what the largest amount of power they pull at that interval of time, that's what a demand charge is. We don't currently have that. It's for all commercial customers. We want to phase that in. We don't want to shock those our affordability forecast goal, that I think it's last winter and this spring, that we received council approval for this goal, to maintain our increases at no more than 2% annually after implementing these rate adjustments. We also have another rate benchmark that comes from that plan, and that is that we will be at the lowest 50% of the comparable texas utilities, and currently our rates are at the bottom in there, so as we have increased our rates, we have to be cognizant of where we end up benchmarked. Our customer assistance program, this is our low income program to increase funding by 75% to assist more customers, and initially we're talking about a customer assistance program discount of about \$25 a month. So rather than it being a percentage, it's an actual dollar amount. That's something that we put out as a metric. We talked about our long-term financial strength, and that we're in compliance with our financial policies. And then last but not least, our rate redesign retains our national leadership with the green choice program and continues solar incentives coupled with net metering rate design. So our progress to date is that we retained utility consultants who do this specialized type of work to determine what is our cost of service, how much does it cost us to serve each customer and each type of customer class. That work was completed in january of 2011, and then we began a public involvement committee process where we have different representation from our service area. We had everything from city managers, and as you know, we serve beyond just the city of austin. We serve about 20% of our load and about 50% of our service area is outside of the city. So we had representation from there. We had each customer class, and we had different advocates for different solar and other -- so we tried to balance that. We had six meetings. There were many white papers on our web site. There is a rates link

and there are massive amounts of documents in there for consumers, for you for anyone to understand what we went through. My own personal perspective on it was I think some of the members of the committee were a little disappointed because they thought they could get in and actually start designing the rates, and we feel like that's our job and that we will design those and that we will bring those -- however we do that, whether it's a selection or a combination, we will bring that and we will start with the euc. We've had a lot of other public involvement opportunities. I mentioned the rate web sites. Our newspapers throughout the service area, email, the committee, community advocacy groups, and our electric utility commission. We've had some -- quite a bit of discussion there. I expect that to really step up as we get going. And then social media and twitter and facebook. Customer bill [inaudible], and we have a speakers bureau so anybody who wants somebody to come out and talk who's an expert on the issues, we will be doing that as well. So last I want to talk about our timeline. The rate analysis, a recommendations report, we expect to publish the 29th of august and present that september 1 here in this chamber. We're going to have the euc meeting. We've reserved the council chambers for that. It will be on the evening of september the 1st, and then we'll have -- that will be a special meeting of the euc. September 19 will be a regular meeting, and october 3 we will have another special meeting. That will be at town lake center, our headquarters office building on the main floor, and october 17 at the regular meeting. City council rate presentations and approval will proceed then november through january 2012. So let me move on to something more hands-on that we're working on, and I'm excited to tell you that we have some major wind resource acquisitions that we've been working on, and let me work through this quick. I think everybody -- maybe I've got -- we can get that for you, but consistent with our generation plan, which has not changed, these resources are intended to meet our goals and exceed our goals of our generation plan. This spring we sent out a request for proposals for 200 megawatts of wind and solar. We received over 70 responses and 300 offers, 70 firms, 300 offers, and we evaluated these offers based on cost, the corporate experience, financial strength and project concept and viability. Two top projects emerged from this effort, and we are exceeding our generation goals for wind right now with this acquisition. I will also tell you that we are thinking about maybe even adding a little more to this than what this 291 represents, but there are two wind projects, and on the 18th, next month -- or this month, we will be coming to the council to discuss it further. 291 Megawatts of two projects, 20 to 25-year terms, where we will be purchasing the power so we're not issues any data or anything. We're just buying the power out right at fixed prices. The projects are in south texas along the coastal wind projects of south texas, which have more consistent production over the year, more production on peak hours and better transmission access. These are expected to be on-line by 2012. I'll show you this busy little chart, but the one to pay attention to is the gold line in the middle. That's our load. And the bottom line is the -- is the coastal wind, and you can see how it comes up in the afternoon and climbs up in production, right -- then actually touched our load curve up there for hourly load curve for ERCOT. So that's the shape of it. The other ones are west texas wind. They tend to have a different shape. So that's one of the advantages of the coastal wind projects. What are the impacts from this? Well, I'm pleased to say that this has exceeded my expectations. I've been on the job ten months and I thought that it would take me a little longer to get here, but this is -- we'll get to 26% renewable by 2013 with a goal of 35% by 2020. We also have a 30-megawatt solar project that will be on-line at the end of the year. It's being built. In fact, there were some tours of that yesterday. I know the euc members and I'm not sure if any members of council went on that, but we had a tour yesterday, and everybody got to see just how big they are. I also want to mention that the owner -- we're purchasing the power out of that project, and the owner has changed once again. There's a lot of merger and acquisition work going on in the solar industry, so there's a new owner of this project. It doesn't change anything for us. We have the same resource, we have the same contract, but interesting. We also have 100 megawatts of biomass that will be on-line june of 2012. And this wind that I just got done talking about. That will bring us up to that. The wind may be a little bit less than that so that number may be down a little bit. It's approximate right now, so until we have actual operating experience in our hands, but this is a projection based on that. This supports affordability. These are fixed prices, no increases over time. They maintain slightly lower than fuel charge and have a negligible bill impact. These particular resources. The timeline is that on the 18th of august, we'll have a council agenda item, and it will just be to authorize us to continue to negotiate. Because of our competitive matters, resolutions that we passed earlier this year, we have to be even more transparent with our consumers on the resources that we're going out to acquire, so that's in an effort to do that. And then I'm hopeful that on the 25th of august that we will actually have council

approval of these contracts. And that we anticipate final agreement signed in september. Let me move on to some solar resource acquisitions. The consumer -- we have basically put -- solar goes into three categories. First you have consumer solar installations. Those are the ones that are behind the meter. We have public facilities. Those are municipal, school, city. And then we have utility scale solar, like webberville project, which is actual power plant, if you will, and it's directly connected to the utility, to substation. On the consumer side the rebate incentive for residential is what we offer and a performance-based incentive for commercial and multifamily. It's been very popular. We bumped up the incentive to stimulate it by 50 cents this year on the residential side, and we have a lot of demand for the program. The consumers may supplement ae incentives by tax credits and I should note they expire in 2016. And we have the pecan street solar rebates range from 60 cents to 80 cents per what the in the miller development. I still want to call it mueller but I'm learning. And then we have hot water rebates also for residential and commercial. The rebate for consumer is a rebate of 250 a watt plus a 50 cents bonus for pv system installed before fall of this year and an annual cap of \$15,000 and a program cap of \$50,000, and the applicants are required to demonstrate that they're compliant with our energy efficiency standards and that their home has made those commitments to improve it. And that is consistent with other utilities across the country that operate programs like this. To date what have we done with the rebates? And I won't go through this -- belabor you with going through this chart, but it's a very good track record. We've had up and down with participation and that's primarily because of the economy and kind of a timing thing. Frankly it's a little coincidental. Some years you have people who really want to invest in systems and some years they go back and there isn't really any reason. It isn't necessarily just our incentives, but that's been my experience with these systems. The next chart talks about the solar rebate program history. Now, I want to mention that the energy that's generated from these projects also we count as part of our renewable portfolio, so that's why we want to put money into this, because worry counting the renewables as part of our overall goal. The consumer is getting the benefit on their bills, their tax, so it's a win-win program. But this chart talks about participation, and you may have some questions, and i won't bore you with the details, but it's -- I'm very pleased with the program and I'm very pleased that we're going to continue it and make it as good as we can for the consumers. The -- fy '11 participation report is here. We have year-to-date 182 requests, and we've projected 240, and you can see that we've completed the sites and letters of intent have been issued and we project it will be 225 systems, is what we're projecting. So our consumers are really responding. I think that 50 cents bump has really been an improvement in the program. On public facilities, these are highly visible public awareness and education program, schools, libraries, and we have a 200-megawatt installed solar generation goal, and this contributes towards that. We have current projects that are numerous. We have the carver museum project going on right now. That's 10 5-k w. Our own system control center,, our decker power plant has facilities going in. Those are 600 and 300 kw. The austin convention center is a hundred. The gibbons recreation center 60, northwest recreation center, 43 kw. These aren't in megawatts, these are in kw, thousands of watts. So just a number of really great projects coming along. And last, utility scale, this is the webberville project. Now, a question might be, well, are we going to be looking at utility scale generating projects, more of them as part of our generation plan. I would like to see the webberville plant run for about a year. I want to really get a firm handle on the numbers and how it works, costs, get a full understanding of -- I'm very familiar with solar in southern california, for example, but we want to get a feel on this first, but we will definitely be looking at more utility-scale solar because it's part of our overall goal at austin energy. So with that, that is our quarterly report, and the status of our finances and our generation plan and our strategic goals, and I'm available for any questions.

Mayor leffingwell: okay. You did cover this, but i wanted to mention the affordability goal, which was -- start over. You did cover this, but i wanted to mention the affordability goal, which was actually a part of the generation plant. The 2% after the initial adjustment per year rate increase as a cap, and also to remain within the bottom 50% of all utilities in the state of texas, public and private, and emphasize, that is part of the strategic plan. It's on equal footing with the other goals of 35% renewables by 2020 and the 800 megawatts of savings, et cetera. So what I'm taking from your presentation today is it looks like that is going to be a very minor factor with this acquisition of very cheap wind power in the very near future, bringing you up to 26% already, but I just want to add a note of caution that affordability is a factor. It's on an equal footing with the other goals and will have to be brought along and considered as

a part of our ongoing strategic plan.

Yes, sir, mayor, and i will tell you that I feel the challenge of meeting those -- and meeting that -- we have a challenge going forward, and I have -- there is some uncertainty. We have that challenge, and I'm glad that we have the bounds of that metric around us because it really will help us guide our strategy going forward. well, I just think it's important to continue to emphasize that, because it does affect our future prospects maintaining austin energy as a viable entity in the years ahead, and so if we want to achieve any of these goals, or even part of these goals, we have to make sure that we firmly address the affordability goals.

Cole: mayor? mayor pro tem.

Cole: thank you. I appreciate the layout. I am -- agree with the mayor that we focus a lot on austin energy and we should focus a lot on austin energy because it is our number one investment, and I noticed the timetable that you laid out for september 1 of actually presenting to the euc. Is that correct?

Yes. is the same day that we set our tax rates. And then approximately nine days after that we have three potential budget hearings. And I'm wondering if those dates coincide for any particular reason.

No, they don't. I think it's by -- you know, by coincidence, frankly. We had -- we had a different schedule when I came here. We had a schedule that drug this out, frankly, a little bit too long, in my opinion. We needed to get to these punch points on this as soon as we could. So -- but saying that, we are flexible as well, a little bit, and -- but we have a lot of pent-up interest in this issue right now, and I'm expecting a prett turnout for the 1st of september. well, I just want to bring that up so that you would be aware of it, because we always have lots of challenges during the time frame that we're trying to balance the budget, and so it would be even more challenging to try to address the rates at the exact same time. So just -- just keep that in mind. I had a question for elaine, which was similar or -- thank you. Elaine. You -- well, first of all, help me recall the exact amount of the transfer rate. 1 or --

yes, ma'am, it's 9.1%.

9.1%. And we've talked about the fact that because of the weather we've had an increase in revenues, and what I want to know is what impact that is going to have on the transfer to the utility.

The budget to transfer for '11 is set based on history, so it would have no impact on the 2011 transfer. However, the fiscal '12 transfer from austin energy to the general fund is based on the two prior-year actuals, plus the current-year estimate. The current-year estimate that's included in our transfer calculation is -- includes actuals through may, so the june overage and july are not included. Typically in the past, as we do our budget presentation to the council, we'll give an update on our current year estimate, which will be in a couple weeks. That would only bring us through july for our current year estimate. Then before the council hearing we would have actuals pretty good for july, when we do our budget presentation, we'll have through june and an estimate for july.

Cole: okay. Let me make sure i understand you and that it coincides with how i remember that it goes. There's generally a rolling average based on the prior three years. Is that correct?

Yes. and then we true-up just before we conduct our budget hearing.

That's what I was trying to explain, yes. There -- in the past 13 years a couple times we've had a true up generally because we have hotter weather than we expected. We do not budget for the hotter weather. We budget based on normalized, so there could be an increase in the transfer, based on the additional revenues that we've -- over budget that we've collected through the june, july, and typically we'll have

august numbers by the time we adopt budget.

Cole: okay. And I'm asking that this whole line of questions because I believe in -- and the city manager is here, that we need to think about this in a comprehensive manner with the budget and the rate hearings and the -- what I call a potential true-up.

We work very closely with leslie browder, the city's cfo, toward the end of august, the very first week of september, to make sure that she knows what our current-year estimate is and how it can impact the transfer calculation. and council is never, never aware of that true-up process. We don't pay attention to those numbers at all, do we?

We actually present those --

cole: I'm just kidding. We get quite excited about those numbers. [Laughter] and you don't have to answer that. Thank you, elaine. [Laughter]

mayor? council member riley. thanks, mayor, and thank you, larry, for that presentation.

Sure. I just have a few questions. First I want to start off with the rate. On 5/13 you went over some of the policy goals and metrics that the utility -- you will be considering in the course of the rate review. One thing I notice in the policy goals is that there's no mention of a business model, and in the past there's been a fair amount of talk about the possibility of looking at a new business model as the utility moves forward. Can you just briefly touch on that and address whether that remains a goal for the utility?

Yes, it does. I think that -- council member, that it has in the metric, the very first one, the revenue requirement to fund core functions and strategic objectives, and so if I flip back to the strategic objectives that we have in our objective plan, our energy resource plan, as you know, the generation plan has more than 60 objectives in it, and so that's all embedded in there, and I think that we do have to take this in consideration as we move forward at all. I should mention also that our rate design -- and i mentioned this to council before, but our rate design is being set up in such a way that we will come back to you annually to look at adjustments and pilot programs and other tools that we might want to open up and use. We're building a rate structure that will allow us to have that flexibility, to be innovative and change as we move forward in our business model and business plan changes and moves forward.

And in general that business model could include additional charges on the individual consumer just for hooking up to the system; is that fair?

Yes. Yes. and I know that there are already some concerns being expressed about that concept, and in particular the idea that that would have a disproportionate effect on low income users or the low consumers, low-level consumers, and the suggestion is also being made that that would actually have a negative effect on their incentive to conserve or undertake efficiency improvements because they're going to be paying a certain amount anyway. How do you balance those concerns with the need to move to a new business model?

My honest answer is I've let my policy makers balance those, because it's difficult. Let me talk about it a little bit. Interclass, that is between industrial customers, commercial, small commercial, residential, residential as one class but all the others may be five or six classes. In fact, we'll have about seven, I believe, rate schedules in that area, one for residential. So balancing between those classes is fundamental, easier, but the one that's difficult to balance is intra-class, inside residential, for example. How do you balance the cost to serve all residential customers while having a fair rate design that does not shift cost unfairly from one to the other. I would encourage anybody who's very interested in this to go look at our data 4, I believe has that. One of the most intriguing parts of that is in the residential area

-- is that we have a distribution of bills. That is, what consumption residential customers use and what the bill distribution is. 60% Of the bills are distributed to less than about -- I don't know if i have the exact number right, but it's around a thousand kilowatt hours or a little more or less.

Riley:.. Is the current requirement, past requirements that apparently I understand that right now we have -- we're working towards a two times debt service coverage, but in the past it was lower, it used to be 1.25. Can you address why that would have gone up?

Well, I'll have to have elaine come up here and speak to our past debt performance but some bond covenants actually prescribe what the coverage needs to be for that 25 to 1.5. There is -- keeping our credit rating and the city's credit rating up very high, you want to make sure that you have ample coverage and in our industry close to 2 is really good. That's where you want to be. If you start pulling it down, you're pulling down the revenue coverage, credit agencies are going to look at you negative for that. I think the city's financial advisers would be a better, you know, unbiased opinion about how that needs to be, but I would turn it over to elaine and leslie to give you more details.

Riley: But based on your experience two times --

that's a great target to be at. And I do know there are times where in my past -- in my career where I have seen an effort to bring those down for revenue purposes to get money and that has been a negative move and they've had to move it back up. And so when you move it back up, it's kind of a double whammy. You really get in trouble doing that.

Riley: Last question on the rate review. One question relates to the addition of what some call -- if a particular consumer opts to participate in green choice it would actually have some effect on the utility's purchase of renewable energy. Is that a goal that the utility shares with respect to green choice?

Yes. Yes. And carl on our staff, he's specifically working on a green choice design. I'm very excited with what they come up with. If you will, when you look at the balance today, as we move to 35% renewable, if we get to 35 and a green choice customer would be selecting 65% of their energy additional, right, to be 100, and we would be -- in this market today, i can tell you hands down would probably be a wind resource because that's the cheapest and renewable source and that's how we would fill that. We've look at doing short-term -- shorter femur term deals and try to mix those and we're exploring all of our options right now.

Riley: That's a good saying segue to my next question. Very excited to hear about the wind contracts and the -- you expect to be bringing before us in the next couple of meetings. Could you elaborate on the costs that we're looking at with those wind contracts and how they compare with the costs that we're currently paying for other energy sources?

I'm not sure that -- first of all, I don't know the exact numbers and I'm not sure that I can talk about exact numbers, but I will tell you that I'm very excited. The prices were much lower than I expected. It -- it really surprised me and I'm very excited. For that reason we're looking at maybe getting a little more at this time. You know, it's a buyer's market for these wind resources and we'll take advantage of that if we can.

Riley: And these are 20 to 25-year contracts.

Yes, sir.

Riley: At fixed rate.

Fixed rates.

Riley: Even though the immediate may be negligible, that impact would be expected to grow over time as other rates increase.

When you get into power supply issues like this, the risk is counter party. The risk is the company itself making sure they can provide it and making sure that they are going to deliver and that's always a risk that sometimes we forget about. For example, if you get a really good price on gas, for example, the risk is the counter party. Because if they can't produce it, then they walk away and we don't have it. We're evaluating that as well. Making sure --

Riley: Isn't it the case one reason why we're able to get these contracts at this level is because of the federal tax credits that are currently available for wind projects?

Yes, sir.

Riley: And are those tax credits expected to expire?

Well, that's -- that's -- that's -- if I know what the next administration was going to be and the federal government, I could probably answer that better, but i don't. I think they will be extended is my personal belief to keep this industry going. It's fundamental to the energy security of the country. We in public power and the power industry, we're lobbying all the time to make sure that they continue. And that's exactly why we're not directly buying these projects is because we can't take advantage of the tax credits but the developers can so we enter a structure of the kind that we're doing so we can get the benefit of the cost reduction from tax credits. It definitely has been a very important fundamental need of the industry to get it going, and texas is the leader in the country in wind resources.

Riley: Well, I share your excitement about those contracts and my understanding is the current tax credits would actually expire at the end of 2012 unless renewed. And I would definitely like to see more options on the table, opportunities, if there is an opportunity to make an additional purchase on those, I would definitely be supportive of that. Because the opportunity to lock in energy, renewable energy at these rates for 25-year period is -- I think it's something we can't afford to pass up. I think it makes -- it offers the opportunity to make significant progress towards our goals for renewables at rates that will really help with the goals for maintaining affordability for the utility. And so I think it's very exciting and if we can -- if we can do more, then I would definitely be supportive of that. I want to turn lastly to solar, and I notice that even that we put out that generated these wind contracts actually was -- did ask for solar proposals as well and we did in fact get some solar proposals but we're not actually looking at taking up any of those because -- because the wind prices were so low. Is that right is this.

That's right. And I think it was prudent for us to find out what the market was. We don't know unless we do it. The prices for solar I will tell you have come down a little bit. I'm encouraged by that. But compared to wind resources, it's -- it's quite dramatic.

Riley: Right. And so a number of questions remain as exactly how we're going to be able to meet our goals with respect to solar. And related to those questions are a number of other issues with respect to the solar industry here in austin. Questions like -- let me just note that I have an item on the agenda, item 27 that would ask the utilities to take a look at a number of issues related to solar production and how we could address those in a positive way going forward. I just want to touch on a couple of them. One relates to nonprofits. With the switch to production based incentives, haven't there been some issues with respect to nonprofit's ability to participate in rooftop solar programs?

Yes, yes, there has. And I might add that I've tackled that problem once before because -- not for profit organizations and universities and others that can't take advantage of the tax rules, there is an

opportunity to take it during a lease, a solar system lease. And I know that Carl and I have discussed it. We don't currently have a policy, but that's something we need to look at. And I do know that the laws are different in Texas than they were in California where I used to work so I have to be cognizant of what we can do and make sure it's legal but that gets to what you are talking about, they don't have ability to take care of tax credits as you and I do as residential customers.

Riley: And nonprofits have expressed interesting in doing that and there are a number of people who have been expressing interest in seeing some manufacturing of solar here in Austin which we don't really have at this point. And it has been a goal in other cities, notably San Antonio. So do you see any opportunities for -- if we were to look at that and consider how we could support the establishment of solar manufacturing facilities here in Austin? Do you see any potential along those lines?

I have met with several -- , probably over the course of the winter I met with several technology developers, not necessarily this panel and array of manufacturers, but we're definitely entertaining it, I mean we're keeping it open. And I'll pull back that we -- if we're approached by anybody who wants to work into a deal in economic development to help them and if the industry and everything, we've always embraced it and will continue to do.

Riley: I appreciate that and I'm hopeful that we can continue to see good progress on solar with the additional if contemplated by [inaudible]. Thanks, Mayor.

Mayor Leffingwell: Just a very brief followup first on the debt number that you said we were going to be at 2.0. Right?

Well, I'm going to get Elaine up here before I get in trouble.

Mayor Leffingwell: Just a brief comment. I just want to stress how important that is and I don't think we've ever considered going below about 1.75. Would be in really negative territory. Correct me if I am wrong.

One of the agencies mentioned at areolate rating that it was important for us to keep over the two times coverage to retain our ratings.

Mayor Leffingwell: So if we don't have that, we run the risk of possible down grade and, of course, that would be transferred to -- in the form of rate increases to users.

That would certainly increase our interest costs on our outstanding debt, yes, sir, and that would lead to rate increases.

Mayor Leffingwell: And you may want to answer this question. I want to talk just a little about the tax credit situation with regard to Webberville. I'm not sure I have it all straight in my head, but I know that there was some discussion of the federal tax credits, who got that, the operator or the city of Austin. And I think that's an issue that perhaps has been -- and if it's inappropriate to discuss that, just say so.

Well, I don't have all the detail facts of that contract so I can't speak to it specifically, but I can tell you generally how it works this is a private developer, they've rolled that benefit into their price to us and so we negotiate that price down basically knowing what it costs to build it, what their credits are, so it's a bargaining position, if you will. And that is embedded in the price they get, their credits.

Mayor Leffingwell: That's something I would like to discuss at a future date because this is an evolving process and I want to make sure we're on solid ground before go ahead on that. [Applause]
Councilmember Spelman was next.

Spelman: I wanted to follow unwhere councilmember riley was going. You've given us principals that you have to strike a balance and there's a lot of objectives that we're all trying to meet here. And the method you've given us is establish a standard and a little wiggle room around it, we could go here, there, within this boundary and we'll something that is going to meet all those marks. What process are we use to go engage the public through the electric utility commission and what process are you going to use to engage us when you get to the point of actually presenting some possible rates?

Well, I'll address this last one first because I think that based on my experience of doing this electric rate business before, it's kind of going to all get pushed at some point along the way and it will end up at the council work sessions that will start probably in november. No schedule has been laid out yet, but we'll have work sessions on that and I think there will be ample time for public input and comment in that process. My hope is that the first of september we will be rolling out some not specific this is what we want, we'll have still some band width and we'll try to guide this. We have a residential rate adviser, for example, that we need to make sure we have him weigh in as an expert in residential design. A lot of your question I don't know the answer to. We're going to set up the forum and how that goes and what happens I'll be interested to find out and what the public's interest is. I can tell you that we have -- we have -- the interest level right now is the low using, low consuming residential customer concern about low-income, et cetera, we've heard a lot of information from there. The commercial and industrial sector who frankly has been subsidizing a lot of our current rate design, but when we get to cost of service, the most fundamental band width, if you will, is that inter class cost of service between classes. That's going to be fundamentally important for us because we know how to design rates, but we don't know how to design policy. We can do framework of policy and we can guide it in there, and then I think ultimately at the end of the day it's the policy makers that make the decision on the balance.

Spelman: I can imagine a bunch of different ways of structuring that conversation and I think a lot of attention needs to be given to how that conversation is structured. It's a different conversation than we have every year about the budget, but I think the manager's approach to engaging the public in what aspects of the budget we can cut and which aspects we can't cut, those public meetings we had a couple years ago are the kind of approach which would engage people in something which is substantial and concrete. If you can give somebody an opportunity to say, well, here's two plans and here's exactly what the difference is between them and here's how it's going to affect me, then you are much more likely to get a reasoned answer from the public than if we keep this in a epherial kind of way. I don't know whether the same people are still around, but it seems to me that kind of a thing would be exactly more appropriate than an open-ended discussion which can go in lots of places and would thought be tied down necessarily to reality. It might be talking to someone , particularly if we try to take it on the road and can we expect we're going to get a series of possibilities?

Yes, sir, particularly in residential. It's pretty are cut and dry in the cost of service. But in the residential, it becomes very philosophical and almost social in nature. And so I expect a lot of enthusiasm in the residential rate design.

Mayor Leffingwell: I think the city manager has a comment on your question.

I do, and I do recollect the public involvement process that you were talking about, and that was designed by both human resources and our public information people, they were both involved in helping to create that and it was very effective in terms of getting input. You know, in terms of the various options that will come forward as a result of this rate analysis that they are going through, that certainly will be part of that conversation and all of that obviously will be put in front of the council as well. I do want to emphasize, however, that undergirding all of this is a business decision that has to be made relative to the utility as a business and so I will have an expectation that the -- that austin energy will have some sort of a recommendation. That won't preclude any discussion about options or even a decision ultimately that could be different from the recommendation, but I will have the expectation that they make a recommendation as well.

Spelman: Help me understand this. You are talking about the recommendation, which I understand there -- after working with this a couple years you are going to have strong feelings about this. What you have strong feelings about is how that balance ought to be struck and we're going to have strong feelings about that too. How much leeway do you see for the council's ability to strike the balance in a different way than your recommendation?

Well, council always has complete leeway in the sense you are the ultimate decision makers. You know, we make recommendations relative to what we think are the best business decisions on a variety of issues. Ultimately from my standpoint this is no different. Austin energy is a business. It's one of our businesses that falls under our corporate umbrella and I will expect a professional staff have a perspective about what the best decision is for Austin energy in this case.

Spelman: And we expect the board of directors to have a good idea as well. I look forward to having a good conversation between our staff and board of directors.

Again, I guess I want to address that as well because I don't want there to be any confusion about Austin energy per se having a board of directors, it does not. Austin energy is a city department like other city departments that we have. All of which are accountable at the end of the day to this council as the legislative body and the final authority with respect to decision making.

Spelman: I wasn't speaking in any specific -- literal sense only in the figurative sense only it's our job to make policy, you make suggestions and we look forward to seeing your suggestions.

Mayor Leffingwell: Councilmember Morrison.

Morrison: Thank you. I want to go back to one of your first slides talking about extreme heat because I think it makes sense to pay a little bit of attention to that because we are under some pretty significant challenges here. And you mentioned that ERCOT may have to set -- if any of the major supplies go off line, ERCOT might have to shut things down pretty quickly which means that we might experience brownouts. And I read it -- folks probably read in the paper today that Austin energy has been working on trying to improve the number of circuits that might be involved in a brownout. Could you talk a little about that?

Yes. Since, you know, I find it unfathomable that I'm talking about rolling blackouts after this February but here we are again. Since this February's incident, we have isolated up to I believe we've increased the number of circuits -- I want to say it's something on the order of 50. I can't remember it right now. I know we had a little -- a report on that that we sent out to council. And so we've improved it, but without getting too technical, the way the electric grid is set up is the protocol is that we have some circuits we just cannot -- we have to leave those for grid protection beyond rolling blackouts. Then we have circuits that belong to sensitive load, hospitals and water facilities and other stuff. So we have to sort all of that out and it's very difficult because we change the circuits around a lot of times too because of the load. So unfortunately, as you pointed out, if we get to that situation today or any time, it will happen almost instantaneously. That's the difficulty with differing a product that moves at the speed of light is that we really can't move without it. And so I hope we don't get there, but I should point out yesterday we were about 68,000 megawatts, ERCOT has 73,000 available and that's how tight it is. They are expecting today it might get a little tighter. We're doing everything we can with the media and I know that Mark and I worked and he sent out a communication to the city -- all of our city facilities, to everybody to try to conserve energy and that will really help. And I'm -- I think the more media coverage we get about people conserving energy between high peak hours, 00 in particular, the better off we are.

Morrison: I agree, I appreciate that, I appreciate the work you all have done to increase the number of circuits if in fact we have to experience the rolling blackouts. As you recall in February there was so much confusion because folks didn't know what was going on. So I think, you know, media coverage of that is really helpful also. And then I wanted to go on to a somewhat related topic and that is some of the financials that we're looking at, we have -- our actuals in terms of revenue are exceeding our

estimates because of the weather because it's so hot. So that's a positive thing for the bottom line for austin energy. Of course, we also have to keep in mind that means people are paying more to keep cool. And one of the things I wanted to talk about was folks that are -- that have -- have low income and the policies that we have in place two-fold. One, eligibility for help with their -- assistance with their utility bills, and then secondly our policy for what happens in extreme heat, which is a topic that we addressed last year or the year before in our public health and human services committee because we obviously need to make sure that if people are having financial problems and there is extreme heat that they don't get caught in having a shutdown of their electricity.

Yeah, precisely we have -- we defer -- we have a moratorium when it gets to be a certain temperature, if people have credit problems for whatever reason their power would be turned off normally it is not, it is deferred. So we end up deferring out of normally hot summers, austin energy has done this for a number of years, we defer those bills off and we make arrangements with customers to come back, for example in the wintertime and then they come back and make their bills. In our business it's called making arrangements and our customer service staff has been doing a lot of this. There have been very high bills and there will be some more. One is the moratorium that's in place so we're not turning the power off on anybody and putting them in jeopardy for health or safety. And then the other one is arrangements that we're making to defer payments to austin energy so we can get through the difficulty. I'm probably oversimplifying it, the programs get more detailed and indepth as they go, but those are the two primary things we do.

Morrison: And am I right we also have a customer assistance program that is in place for low-income folks in general, independent of the heat situation?

Yes, that's independent of that. That's a qualifying program. That applies all the time.

Morrison: So if people were interested in finding out more about any of these things, I assume they can call customer service.

Or go to either of the customer service centers and i really encourage customers to do that. I can tell you from experience there's a lot of qualifying customers who just do not come forward and do it and I really encourage them to do that because particularly a year like this career, those bills are going to be really extreme.

Morrison: And there are certain eligibility requirements. Is there a place people could go to find out what those are on the website?

Yes, they can call in or visit our customer service centers. I suggest they give a call and talk about what the eligibility is, how they qualify.

Morrison: Great. Thank you.

Mayor Leffingwell: Councilmember martinez.

Martinez: Along those same lines, do we insert anything into our monthly bills in english and spanish that explains the assistance program?

Yes, we do.

Martinez: Since we're talking about this and the lessons learned from february, obviously I'm glad that we've added more circuits that won't be affected during rolling brownouts, but the other component that we talked about after february and march was how do we better prepare and notice folks that are about to be affected from, you know, from what we were discussing earlier, if we hit certain demand, we start

shedding load with large users, mainly retailers. Are they aware that it's on the way or that it's coming or is it once we hit that peak demand it's too late and we just start shutting things off?

Well, this winter -- the answer is yes, we do. We do communicate that. But this winter, there's these stages of problems. The first stage is sort of a media out that ERCOT says hey, we've got a problem, it's growing, everybody do what they can. So we're a transmission provider and a scheduling entity at ERCOT so we get all those notifications. Our media department, we send everything out that we can, we have customers that voluntarily cut back load. The next stage is EA 1 which means that we're short reserves. And what happens is in the generation grid is we have we have reserves that are spinning out there and if we're short 3,000 megawatts in the grid they send out alert. Now, I've been getting those since we've been 100° from our ECC which is at the end of second street for a while. Then the next level is reserves go lower than that. Now, this winter what happened is they went through those really quick because big power plants dropped off so fast there was no advance warning. If we get an EA 2 warning, that means rolling blackouts are imminent and we'll take steps. I alert mark, you know, we make -- we make the effort, we go forward to do that. I hope that we have that kind of time and that we don't have generation that drops off. This winter was unusual because there were so many generating plants that faced the same problem with the same time with the cold snap and they were not protected enough. It was a little different situation. Electric systems designed to know for hot summers in Texas but this winter was a different situation.

Martinez: I think for me I see the extreme heat as a more volatile and could be more dangerous situation than in the cold in terms of the impact that it could have on just an average family. And I'm specifically obviously thinking of myself, but we have three cats and dog at home and if we start rolling brownouts, people are -- if they don't though the situation that's coming beforehand, how do they respond and react to that? When it's 110° outside, things can go pretty bad really quickly for people and pets. And so I just wanted to understand a little bit better how we're going to notice, you know, the actual residents, just the general public and through mass notifications, I really don't see that as giving -- giving them enough time to prepare, if you will. Just telling the city, okay, we're going to start rolling brownouts. Are we going to start in west Austin, south Austin, east Austin, how do we do that? How do we communicate that?

I don't have an answer. It's a challenge. I mean it's -- this situation is not one -- on the communications level, it's not one frankly that we're built to do all the time. So as these situations come up, we try to improve from the last one. I think in my experience before coming to Texas, we had those rolling blackouts in California and the solution was more generation needs to be in the state but in terms of notifying customers, we had unhappy customers no matter what we did. That's the nature of the situation. If we do media contacting, if on, we shouldn't have them on because we need to conserve power. It's a real push because we have no way to really contact. I know we've talked about reverse 911, we cannot tie up the 911 system and do that. It's not quote, unquote, an emergency, but it has put people in a difficult situation and potentially a health threatening situation if they don't know. So I guess I don't have an answer for you, but I understand the concern. We have that same concern too. We're passionate about our customers. We want to make sure we take care of them. If we had an ability to have a warning light in their house or something like that that this is coming, we will do it. If it happens any time, it's going to be fast and we're going to have react and notification is going to be difficult. The best thing we know it's probably going to be on the edge this afternoon and people should be prepared for it. And with the media's help, we've been doing that and I think the paper today is right there on the front page. Everybody needs to be prepared for it. You need to be prepared to where do they go if they cannot stay where they are to protect themselves. And I know there's some other emergency preparedness that the city does for people.

Martinez: Thank you.

Mayor Leffingwell: I want to emphasize again that we certainly should do everything we can here in Austin to conserve during periods like this, but we're also at the mercy at what people outside of the city

of austin do because we're tied into statewide network and things can happen in dallas or lubbock or many other cities that impact us and that's -- that adds to the communication problem too. If february is typical, we won't know until a very short time before it happens that these demands are going to occur. When you get the phone call from ercot to cut back and supply more electricity to the grid for other people in the state who might be having shortages for one reason or another. We could have plenty of capacity here at austin energy, but we could still be short because of what happens in other parts of the state. And that's what happened to us in february. Difficulties with generation capacity in north texas impacted us here. If we would have been sitting in our silo here, we would have been just fine. We have to keep that in mind also. We kind of have a sort of mini brownout rollout, I want to emphasize that. If you have an austin energy installed thermostat in your house for air conditioning that is correct is connected to a secret wire for austin energy so they can cut off your air conditioning for 15 minutes, I don't know what your current time is and kind of roll that through the system to conserve energy. And most people would never know it. If they lost that capability for 15 or 20 minutes or so. But my understanding is that program -- I don't know how many thermostats are out there, but --

I'd be guessing.

Mayor Leffingwell: I have a feeling it's not nearly enough to make the kind of impact we would need to make, and that, of course, relates to the ability of austin energy to come out -- it's a free service, free thermostat, free labor, come out and install a thermostat and run the secret wire to your air conditioner so it can be controlled by austin energy. But the big problem is you may -- and I've experienced this myself, get on the list to get a thermostat and, well, it's going to be two or three weeks before we can get to you. So we might want to take a look at that also.

I want to comment on one point you made, mayor, and that is that our peak -- we've been setting all-time records for this time of year this week, but our peak is around -- we're climbing up to around 2700 megawatts for austin energy service area, but we have 4,000 megawatts of generation. We have all the resources to cover our load, but you are exactly right, we're this the ercot grid and it's frankly beyond our control.

Mayor Leffingwell: You get the cell phone call from wherever it is, got to make those adjustments kind of real quick.

Yes, sir.

Mayor Leffingwell: Councilmember martinez.

Martinez: I think your secret is out know. [Laughter] I just wanted to make that point that if you sign up voluntarily for it, it's really not a secret.

Mayor Leffingwell: It is not. I was trying to make a little bit of a joke there, councilmember. I guess it didn't get across. Councilmember tovo.

Tovo: I see that we're closing in on the noon hour so I'll ask just a couple quick questions and submit the others via q and a process. Some of the other -- some of my colleagues have spoken about the concerns that we are hearing from the community about the impact on the lowest -- on residential users who use, you know, the least amount and some of the calculations I've seen show that with the fixed cost increasing, the proposed cost increasing from \$6 to \$25 that could result in a 16% increase for some low-use customers and a much smaller increase for higher -- higher-use customers over 1500 kilowatts. So I guess I would just say that I'm really happy to hear that you are going to bring us some option to look at as we continue this discussion because I do think it's important that we come up with a rate design that doesn't put undo impact on our low-use residential customers. And I wondered if you could tell us, it's my understanding that residential users make up about 35% of austin energy customer

base?

Well, recite these statistics. We have about 360,000 residential customers and we have 420,000 total customers. And residential occupies about 70% of our revenue and energy sales. So it's those two things. And we have those embedded in our website, we have all that data.

Tovo: Do you have a sense at this point or do you have a goal for how much of the proposed rate increase is to come from residential users?

It's not -- it's not split that way. The revenue -- yes, the revenue is going to come from the different groups depending where they are and how much load they are, and we'll have that statistic as we get into this rate work. I don't have it here with me today so I really don't want to --

Tovo: We'll talk about it as it goes on. And then a more specific question, does the proposed rate increase include or factor in the biomass plant?

No, it does not. The biomass plant will have to be handled with the affordability goals and as we work on our other work going forward.

Tovo: So those would be -- would that then prompt any for an additional rate increase in the future?

Well, our goal is no larger than a 2% per year. So we would -- depending on what we get with this rate increase, it's fundamentally important as to how additional resources will affect the rates going forward. In other words, if we go through this rate work and we do not achieve our revenue targets, for whatever reason, then future resource acquisitions will be definitely impacted because we have this affordability goal, which I think is a very smart move to have it. That will put news check. But the specific answer is the biomass facility is not included in revenue needs of the existing rate bump that we're going to make because it doesn't come on line until in the next couple of years.

Tovo: And then I guess lastly, it's been discussed in a lot of the, you know, prior discussion that the average increase would be about 12%. And one of the citizens who came to my office this week pointed out that one of the -- that in one of the more recent austin energy customer news there's a line about utility projects the need for about a 12% increase in revenue. I just wondered whether you could address whether that's the goal, not an average 12% increase but 12% increase in revenue.

That's a very good point and good question. The 12% need is for revenue. So overall need for austin energy is revenue, that's about \$120 million. 2 billion revenue company, so if you can figure that way. On the average residential customer, that comes out to being about the same, about 12 to 13% is where we are. So that's -- that's where we are on that. Now, if you are a very low using residential customer, the issue is you are not paying your full cost of service to serve you and, you know, that's where the issue is going to be. And then on the other -- so the percentage increases will be significant, but the dollar increases will be fairly small. So it's a comparison of looking at dollars versus percentages. And I think we all know how that goes. On the other side we have commercial and industrial customers and industrial customers that are going to receive different percentage increases depending on their load and the characteristics of their service. But on the residential side, you are correct. And then on the averages I think is 954-kilowatt hours is where I think our residential average comes out.

954 You said?

Pardon me?

Tovo: You said that was 954?

990, I can't remember, but that's our average residential customer.

Tovo: Thank you. And I just want to also say thank you for the -- i appreciate the discussion about how low-income users might be able to benefit from some of your programs and i was really glad to see some media stories about that in the previous weeks. I think that's a really critical issue right now.

Mayor Leffingwell: Thank you.

Thank you.

Mayor Leffingwell: We're coming up on the noon hour, council. I wonder if we could quickly take up item 33, which is set the public hearing for the komen race for the cure scheduled for november 13, 2011. We had discussed based on the read to -- we reworked the route and the time necessary to people to be desirable to move that date from august 18th to the next meeting after that would be SEPTEMBER 1st. So I would suggest with that change that we could go ahead and set that public hearing for september 1st and go ahead and address item 33. Councilmember spelman moves approval of item 33 as amended with the september 1 public hearing date, seconded by councilmember morrison. All in favor say aye. Opposed say no. Passes on a vote of 7-0. Now we are -- it is time for citizens communications and before we call the first speaker, I want to say for those of you who are waiting to speak on a certain item, that after citizens communications, we'll go into executive session. We have five items. It promises to be quite lengthy. And we'll come back out -- i would just as a guess at least 2:30. I wouldn't expect us back 30 or perhaps significantly later than that. The first item we want to take up when we come back is item -- item number 26. Out of courtesy to the county clerk who will be here to talk about that item in public session.

Riley: Mayor.

Mayor Leffingwell: Councilmember riley.

Riley: I was hoping to take up 27 which relates to the presentation we just saw. Related to the austin energy related --

Mayor Leffingwell: We can't do it right now.

Riley: When we come back would it be possible -- we do have several speakers here for that.

Mayor Leffingwell: We can take that up shortly, but i said the county clerk is going to be here and out of courtesy to her I would like to take up item 26 first and then we can take 27. So with that, we'll go to our speakers. First speaker is max rangel. Max rangel, and the topic is education.

Good evening -- or good afternoon, mayor, honorable councilmen and women. I'm here today to speak on behalf of all children, i guess school aged children whether they be adult in east austin. I'm a lifelong resident of the govalle neighborhood in particular and when the plan was being formulated one of the topics that came up over and over again was everyone was committed to education as a way for our neighborhood to improve itself. And I believe that was the foundation of neighborhood plans. We wanted -- the city wanted the neighborhoods to come up with a plan on what the neighborhood wanted their neighborhood to look like in 10 to 20-year span. And a bunch of things have come about and we've seen some of those things implemented, but what I'm here specifically to ask about is to see if we could get funding from the city for southwest keys which is building a new building to house education programs, job fairs in a way to help our community revitalize itself. With the coming of formula one and the track we've seen 7th street redone. A bunch of cosmetics have been made in east austin, but

nothing real concrete that will ultimately impact the people who live there. That's why we're here today. The city may or may not remove the money to build a sound barrier along mopac for millions of dollars, we're struggling to be heard from our sound barrier which is poverty. Because for decades we've been trying to be heard and nothing comes about. Promises have been made by our councils and come and gone basically and our neighborhood looks the same. Who now it's time for us to pull ourselves up by our own boot straps and to finally come through with plans and programming that make our neighborhood more viable. Instead of just property taxes going up, we want our education level to go up. We want our graduation levels to go up. If you look at the name of the program, it's called the Johnston govalle neighborhood plan. Johnston high school is not there any longer, it's there but it's a shell. It hasn't been turning out at a rate high enough to that of other schools. That's why it's on a list that's always bad. And so what do we do as a neighborhood? You know, we look out for ourselves. Now we need places to go to where we can teach ourselves, have people brought in and give us their resources to where we can actually make more of an economic impact instead of us just being looked at as lower class citizens, we're on the low end of things. I notice when the man was up here speaking about the rolling brunouts, he never mentioned where it would start from but I have a good idea where with the residential customers. You know, and these are people who I'm pretty sure you could look up the bills but the majority of people in east austin are going to be the late payment plan because they don't have the money to pay the bills but it goes back to work conditions and pay. [Buzzer sounding] we're asking city council to please help --

Cole: rangel, would you please wrap up?

I sure will. That's all we're asking for is our ideas to be heard and once they are submitted and to give us feedback so we can access the dollars that the city does set aside for funding those proposals. Thank you.

Cole: Thank you. [Applause] next we have and gel la noyola. You have three minutes.

Good morning. My name is angelica noyola and I'm a life-long resident of east austin. I'm here not to ask but to beg and plead if I must for the members of my community who have for years and decades not been given the opportunities that they really need. And most of it due to the fact they are low income. For many years east austin was considered a dumping ground. We have the tank farms, the bfls, ALL THESE INDUSTRIAL Industries stuck there because no one cares. We made the changes and the cleanup but we have not addressed the most important factor which is educating the young people and the adults. There are a number of people of high percentage of adults who do not have a ged. One in three adults could not sign up to speak because they don't know how to access the internet. We need commuter literacy training and people can learn how to read and take a ged test and contribute to the economic development of the city. If you look at the residents has come in. It's kind of mixed diversity crowd now, but a lot of the crowd still once again they are uneducated. If you don't have an education, you cannot get a job. even McDonald's requires you fill out an application on paper. How are you to fill out an application if you can't read? People can't afford a loaf of bread to, give a snack to add to their lunch but yet we want them to help improve the economy. It's impossible if we don't educate. And looking at the schools that are in east austin, they are not getting an education there. We've got to provide other modes of educating people. You've got to provide job training. You've got to provide computer skills, osha training. Certifications people can use such as first aid, cpr, things that will make them an attribute for any company they apply for. A budget crisis, the nation is in a budget crisis. They want to contribute. A lot of people sit back and think oh, they just want to sit back, don't want to do anything. There is a want there. I am in the community door to door on a daily basis talking to people face to face sitting in their living rooms asking what can I go to help better yourself and your family. I know their wants, they just need the proper tools. If you send a man to do a construction job, he's going to have to have a hammer, a tool belt. That's the same with these individuals. They need that hammer, that tool belt because without it they can't get a job done. When council comes to work, they look over their notes. Same with these individuals. Sometimes they need a little help. [Buzzer sounding] all I ask is that we get more of a focus. I know I'm out of town, as we get more of a focus on east austin because it seems we've been forgotten and we are still there, we're not going anywhere since it's building area,

we need to really work on it.

Cole: Thank you.

Thank you. [Applause]

Cole: Next we have ronnie reefersseed. Ronnie, are you here? There you are.

By the way, it's ronnie reefersseed.

Cole: Reefersseed. I am sorry, mr. reefersseed.

That's okay. I got my own pronunciation. I'm scowling at the unilateral surrendering of u.s. Constitutional authority that should not be an option for any scheming congressman for any reason. No, this cannot and will not happen ramming through some huge package of hog wash is what we tea party enthusiasts will no longer tolerate. Ruling by media driven deadlines for even more bankster bailouts or shredding of our precious u.s. Constitution, it's out, it's over, rejoice people. People are beginning to taste ron paul revolution for love, liberty and our constitution. Shaking up that criminal process of kickbacks and loopholes is a good thing not a calamity. In defiance of reality, our zionist controlled so-called news media regurgitate talking points from bangsters to barry sotoro on called president. Not a word about the raging violence from mexican organized crime all financed by keeping marijuana illegal. Wake up, stop the killing, people. Stop the willing with treatment. Means farmers get to keep more money. Organized thugs won't get to keep any more of it. Imagine the number one tax free thing in the history of the world is coming to the end. That's why the trucks are killing everyone. Even -- even thugs can read the writing on the wall. Have already legalized marijuana. Demands medicinal marijuana as an option to aid those in lifelong recovery and I can testify to benefits from thc in brain injuries. So by the way, within each and every seed from a hemp marijuana plant is the entire pan plea I can't of protein amino acids that our bodies can digest. Vegetarians you night, heat hemp seed, stop the killing. We can all eat healthy safe diets without having to kill quite so many animals and to learn more on line visit ron com, info wars.com, daily paul.com. Led rockwell.com. Vote rescue.org. Fluoride free austin.com. Give me feedback at free pot com or call my at 51161729. Rejoice, we are win and that's proofing that citizens can help make a difference. Clay dafoe is a role model for all of us. Thanks for your guidance.

Mayor Leffingwell: Your time has expired. The next speaker is ora how often. Topic is responsiveness of city staff to the citizens of austin.

Members of the council, I'm ora houston and I'm here to talk about customer service. There are many conscientious dedicated hard working city employees and many have a sense they aren't cared b sometimes you get a voice message, sometimes you get a call back, sometimes not. I thought those were exceptions rather than the rule. However, a recent attempt to connect three small local business owners in the mueller development center and city staff was a nightmare. Pretty basic. Connect the two to offer another side to the glowing executive summaries y'all get. It appears that things are just peachy. Why? Because no one talks to the people. On may 26 sent an email to the , the city manager referred to staff. On june 7 talked with three business owners, no contact. Sent second email to city manager, he responded, referred to staff. On june 24, 22 business days out, the third email to the assistant city manager, et al. You can see where I'm going with this. Now, I don't know when the first contact was made with the business owner whose business has since closed, but the other two business owners were contacted the first part of july. The face to face occurred on july 26 and 27. And when I worked for the state, two business days was enough to respond to a constituent and identify a date that they would receive a call-back or schedule an appointment to discuss the issues. IN THE LATE 1990s, I WAS A Member of the mueller neighborhoods coalition. We encouraged local business -- locally owned businesses and homes to be built for children who -- for people who worked in the development, sales clerks, fire personnel, nurses, so they can walk or bike to work. We got big box stores and no living units for that demographic. The public-private partnership is over. The property is under new management.

Where do small businesses go for remedies? Who do they talk to, who listens to them? In this economy, small business owners are trying to keep their heads above water without the financial backers large developers have. Since that time of the face to face meeting, I'm pleased to report that the owners have -- and the staff here at the city have developed some constructive, positive and creative ideas to help with some of the issues that they are experiencing. Hopefully the outcome of these conversation will result in better communication and coordination between the residential side and the commercial side of not only this development but future developments. It is just unfortunately that it took so long. Thank you.

Mayor Leffingwell: Thank you. [Applause] valerie joiner. Topic is funding a social enterprise building.

Greetings, council. I'm valerie joiner, a concerned citizen of the east austin area. I speak today for several people who were really concerned about the quality of life in east austin. I'm really concerned because less than a year ago i registered 465 individuals to vote. It was a labor of love. I enjoyed doing it. I was recommended, I was commended by lloyd doggett. I stand as a voice of those who cannot speak for themselves, who are downtrodden because of the lack of education, particularly, jobs, the economy is crazy, we all know that. We need your help. I strongly urge your help. I've been in attendance several mayoral candidates' forums, you name it. The city council candidates' forum. Again I ask each of you to just not listen today but let it prick your hearts that you will hear our calls. We really need your help. We've had your verbal commitment that you would champion our calls. All we need is a helping hand. And if you open the doors, just slightly crack the doors, we'll do things ourselves. We just need help. The citizens in east austin can do so much better with education and a way to provide themselves with education to get jobs. We just need a level playing field and your mighty hand as our representatives, I urge that you listen, listen carefully and heed our calls. And I thank you so much for your time.

Mayor Leffingwell: Thank you.

Cole: I have a brief question.

Mayor Leffingwell: Mayor pro tem coal cole I would really like to know particular social service organizations that you think have been affected and you don't have to give that right now, but if you would just send me an email or call my office, I am really curious about that.

Wonderful. I would love to. Thank you immensely, ma'am.

Mayor Leffingwell: Paul robbins. City issues.

Council, citizens of austin. It was 107° yesterday. And austin used 260 million gallons of water. That's 24% below our peak capacity of 285 million gallons of water. I'm here to talk about the proposed \$6 a month sustainability fee for the next water rate increase. Theoretically it would go towards watering wild lands conservation, reclaimed water use and to make up reductions in consumption brought about by increased conservation, this \$72 per year fee would not pay for one extra gallon of water. Interestingly even though this fee is ostensibly for environmental programs, I've yet to hear of one environmental activist or group that supports it. And there are numerous reasons to be skeptical. The fee is onerous to people in lower income brackets. The fee discourages conservation by eliminating higher volume charges. The fee does not guarantee funding for environmental programs. As we just witnessed at the state level in times of budget cutbacks, nothing is spared. The fee will cover only part of the funding for environmental programs. The fee will spark resentment of ratepayers against environmental programs. It is like an advertisement on the monthly bill for people already stressed and angry by high bills and taxes. They may resent environmental programs even though they are a relatively small part of the overall bill. If, for example, there was a fee based on the water treatment plant, how popular would that be? How would executives at the water utility like their salaries to be line itemed on the bill? In fact, the top 20 executives at the utility would cost an average of 53 cents per month. Do they really want the

public reminded of this on a monthly basis? Despite the fact that public companies pay less than private ones for top salaries, this explanation will be lost on most people. For all these reasons the sustainability fee is not sustainable. There may be a need for a funding mechanism to support the water utility in wet years. Maybe this should be done through increased reserves. Maybe a weather variability fee can be implemented. This should be fairly easy to do. But the sustainability idea should be abandoned. Thank you. [Applause]

Mayor Leffingwell: Next speaker is Jennifer Reed. Jennifer Reed. Topic is plastic bags.

Hi, I'm sorry my topic is not as important as all those other guys and I'm not good at speaking as these guys, but I hope you will listen but the topic is important to me because I use the bags for everything. They are just no substitute for them. I wish they made them because I can't buy them and as you can see, I have -- I have a regular small trash liner. They are flimsy, they don't have handles, they won't stand up when you are trying to scoop things into them. I have pets, I admit it, and sometimes they are hard to deal with. They are a lot easier to deal with than the plastic bags with the plastic bags. I'm going to read this and bear with me because it's important to me and I drove a long way because I'm afraid to lose my plastic bags. I need them. I understand the need to cut down on plastic bag waste. The thing is people will still use bought plastic trash bags and they will use them only once. You can use plastic grocery bags at least twice. Once for carrying groceries and once for trash. If the trash is not fastly such as paper trash, you can keep using them until they fall apart. You can use one bag many times. I'm going to get unpleasant. There are some uses this bag is perfect for that paper bags or bought bags or produce bags won't work well for. Have you ever had a household member, person or pet get sick on the floor? Ever had a pet have an accident on the floor? Ever had a pet with diarrhea? Ever not been able to scoop your cat's litter box for a couple of days and had to deal with a full box? Ever been camping when there are no amenities? What do you do? Paper bags leak and tear. Produce bags are flimsy and too small. Grocery bags are more durable, just the right size and most of all they have handles. Handles make them mobile. I can go around the house cleaning things. And versatile. I don't know why you can make these you can buy because I would buy them. There are other uses such as packing material. My mom and I can send packages back and forth using the same bags. I pack my shoes in them when I travel, I sort things, store things in them. These bags are used at least twice. The other bags are used only once. It also occurs banning these bags might pose a hardship for the elderly and disabled. I saw an old man walking down with paper bags. He was limping and the bags were tearing. [Buzzer sounding] the plastic bags -- it might be cost prohibitive.

Mayor Leffingwell: Jennifer, your time has . [Applause] Heather Fazio. Topic is airport security.

Hi, good afternoon, council. This morning, well, my aid it clear with my position on body scanners and pat-downs at our airports. Dangerous, the body scanners are really dangerous, intrusive and bottom line they are ineffective. It's been proven over and over again. Just to recap, the airport advisory commission, the appointed commission by the council passed a -- unanimously passed a resolution recommending that the council oppose the installation of ait degrees at abia and further oppose the practice of inadvice I have body searching. After that passed there was a resolution brought up and one of the comments that our humble leader proclaimed is rejecting these absurd theater props is out of the question because it may jeopardize eligibility for federal funding. These emails were like I said found through an f oia request and there was activists finding that. University officials have issued a letter stating the safety tests of the machines were purchased by manufacturers and important information has not been provided to the public. Additionally no rigorous hard data for the safety extra passenger screeners. I often refer to the t.s.a. Agents as criminals because of the humiliaing, unnecessary procedures they subject the people of the country to but they are also victims and they are austinites and they need your protection.

Mayor Leffingwell: Thank you. Next speaker is John Bush. No stated topic. City issues. If you'll hold off on putting the issue up. John Bush, Texans for accountable government. I wanted to hit on a couple of other items people were speaking on and the city of Austin energy stuff. The folks from the east side

have experiencing rising property taxes and that's because of you guys intervening in the market and incentivizing especially smart growth on the east side like the fancy red line that nobody rides. You guys are went sent I -- you are going to put all those flashy retail stores and it drives up the property rates around the community, further driving low-income residents out of town. A lot of that has to do with austin city council intervening in the market and driving unnecessary, unnatural growth to the east side as part of the comprehensive plan. Reminds me of the original plan which segregated the city BACK IN THE 20s SENDING Blacks and latinos and the second plan which sent industrial zoning to the east side. That was in the past. You guys can't take the blame for that but now you are continuing to harm poor working class families. That's an example of social inequity so please don't stand -- don't claim to stand for social equity because it's obvious that you don't. I wanted to chat about fluoride finally. I've been watching this issue for about two or three years now. Ray and linda come speak to you guys in citizens communication. We brought in the doctor, had public hearings, the health and human services committee did a debate between doctor wang and other bureaucrats often the doctor pushed with coming up with a study that says it's safe. They couldn't come up with one of them. The case has been made time and time again so now the question is why inax. Why is mike martinez trying to pass the buck to the city voters. I think you guys are educated enough. It lead me to believe we're experiencing another situation like the mayor not want to go move forward to body scanners because he's afraid of losing funding. We have the 2012 plan, the current budget issues facing state of texas and federal government and put funding existing grant programs at risk, being eliminated or significantly reduced, the state and federal grant fund. 32% Of core public health functions. So I have a feeling you guys are afraid to act because you are afraid of losing more money. I think you need to work on the business plan for the city. We shouldn't be reliant on so much federal funds because the federal government is going bankrupt right now and you are going to be left where a lot of city of austin taxpayers and voters that don't have the services they need. Once again we're tired of being poisoned by the fluoride. The poor working class families can't afford the dental care to get rid of it. [Buzzer sounding]

Mayor Leffingwell: Thank you, your time has expired and the next speaker is carmen tyler. To speak about a tree permit. Welcome, you have three minutes.

Good afternoon. I'm a life-long resident of austin and a 18-year resident 4808 balcones drive. Our home is on the west side of the street which is the more precipitous side of the street. Most of the homes on the west side have circle drives to give access to their front door. We have lived there never having a circle drive and always joking that this would not be the home to which we would retire because it was not handicapped accessible. All of that changed for us on may 26th when my father, cesar solis, a 30-year disabled army veteran came to live with us due to declining health. ON JUNE 7th, WE BEGAN Planning and designing a circle drive and a wheelchair ramp that would give him access to our home. On june 14, 15 and 16 my husband and our landscape architect went to city offices for information regarding permitting of a residential driveway. They were advised that the only permit needed was to cut the curb. On june 16 my father was placed in hospice care and the driveway now became a matter of medical urgency. On june 17 our landscape architect reprioritized his work schedule and began work on our project so that we could have a wheelchair ramp and a usable driveway in three weeks time. On june 27 the curb was cut with inspection of that cut on june 28 or 29. AND ON JUNE 30th, A MAN FROM The planning development and review department knocked on our door, let himself into our home, waving this red stop work order. And pronounced that we were in violation of the heritage tree ordinance. An ordinance that had never been made known to us in our repeated trips to city offices. What followed, ladies and gentlemen, is four weeks of agonizing scrutiny and unreasonable proposals by city employees who demonstrated a greater care and concern for the life of the tree in our front yard versus the life and needs of my father. We hired a consultant, an engineering consultant despite the fact that my husband is a professional engineer. Because we could not gain access to the head of this planning and development review department. His voice mailbox is full and he is completely inaccessible to the public. [Buzzer sounding] f last thursday when I applied for this opportunity to speak, it was because we had not been granted a permit.

Mayor Leffingwell: Ma'am, your time has expired.

We do have our permit now, but it is my hope that you would understand that the heritage tree ordinance be clarified for residential applications.

Mayor Leffingwell: Ma'am.

And that a procedure be put in place for emergency permitting.

Mayor Leffingwell: Ma'am, we do understand, but your time has expired.

So that another person's health the not put in jeopardy the same way my father's was. [Applause]

Mayor Leffingwell: Could somebody -- could we get a staff person from planning and development review to sit down and talk to these folks right now? Okay. Someone is on their way, ma'am. [Applause] and those are all the speakers that we have signed up. Without objection, the city council will go into closed session to take up five items. 071 of the government code, the city council will consult with legal counsel regarding the following five items. Item 36 to discuss legal issues relating to the city of austin petitioner versus harry m. whittington, et al. Item 36, discuss legal issues related to open meetings act. Item 37, discuss legal issues related to districting proposed city charter amendments and election legislation. Item 38, to discuss legal issues relating to the nathaniel sanders senior versus leonardo cantana and smith versus cantana, et al. Item 39. Is there any objection to going into executive session on the items announced? Hearing none, the council will no go into executive session.

we are out of closed session, in closed session we discussed legal issues related to items 36, 37, 38, we did not discuss items 35 or 39. Council, we will go directly 26, which is a discussion on -- excuse me just a second. Item no. 26. Which is a resolution directing city manager to identify options and related costs for administration of a may, 2012 city election. We are privileged to have here the county clerk to discuss county issues in relation to a may, 2011 election. dana debeauvoir.

Thank you, mayor, members of council. My name is dana debeauvoir, travis county clerk. It is my honor to be here with you today. We're going to talk about -- about the possibility of what we're going to do about the terrible mess that the legislature has given to you to try to sort out. If -- if -- I'm going to try my best to conform to your protocols today. So if I do something a little out of your order, please just tell me and I'll make adjustments. I have brought with me today a couple of handouts that you should have before you that will help us walk through some of the things that I hope that you will consider as you are making your -- your list of things that you want the city manager to consider in deciding whether you want to proceed with what would have been a normal may election for you, or if you want to try to take advantage of a november election. Unfortunately, your may calendar has been completely disrupted. You do not have a normal situation. And that is thanks to a bill that was intended to be a good bill for our overseas and military voters. And it did very good, it did a very good thing for them, but it wreaked havoc on every city and school district in the state of texas, you are not alone in having this issue before you. And it is, quite frankly, a daunting issue. Trying to hold a may election right now with the circumstances before you, in my opinion, is extraordinarily difficult. I -- quite frankly, in my professional opinion, I do not know how you are going to accomplish it. Let me walk through some of the challenges that I think you're going to face. First of all, if we could just focus you on the first page of your handout, it's a calendar, it starts in february and goes through june, the spring -- the spring calendar. It starts with the primary election, which won't have much to do with you, but that's where our beginning is because that's the beginning of this senate bill 100 that started the challenges that are being created for you. What I would like to point out is the crowded conditions that you face, starting with your city election, which would have normally been on may the 12th. Your early voting period would have normally been on APRIL THE 30th. It would have started on APRIL THE 30th. The -- the primary runoff, which you may think is -- is for the democratic and republican parties, which you may think is an iffy circumstance, we may or may not have one. I would encourage you to think of that as a for certain circumstance, i don't think there's ever been a situation, especially in a presidential primary where we have not had a runoff. So the crowded conditions that you see on this calendar are realistic, i think that you should

count on it happening this way. The primary is falling immediately within days after your may election and then within a couple of weeks after that, you're going to see the -- the dates for -- there we go, the dates for your potential runoff. Of course, we don't know at this time whether you would be having a runoff, but we have to plan in advance for that occasion. It is -- if we wait until after you have had your election to start planning for your runoff, it is too late. We don't have enough time to get things together. .. now, a couple of things here that I need to point out to you. Let me get to my notes. State law says that -- that we would want to be mindful of the security for the -- for the -- for the election totals that are held in the held in the electronic voting that we hold here in travis county, that is a shared commodity paid for by all of the citizens of travis county, including the citizens of the city of austin. One of the things that we do is you'll see that after you've held your city of austin election, the law requires us to hold for eight days, hold all of the totals in those machines, until you do your canvass, which cannot occur before the 8th day and must occur before the 11th day. You have an 8 to 11 daytime period. You can see on your calendar there, the may the 20th is the canvass date. That is a sunday, the reality is that it's actually going to be on the 21st, ALL BUSINESS GOES Forward to the monday. The date is actually going TO BE THE 21st. It is normal practice for everybody to wait -- you would hold automatic of that date in a security -- hold all of that data and not make any changes to off load that data until two days after your canvass to prepare for a recount. [Indiscernible] by at least two days. That puts us after the beginning of the runoff period for the primary. In other words, the equipment that has been used to the city of austin will not be available for the runoff. It's already passed the time when the start of the election has begun. So that puts us in a situation where none of the equipment that have -- that has been used for the primary or for the runoff is going to be available for secondary use until after its cleared the security hold period. Am I clear so far? All right. There is also an additional thing in the law that I did discover, this is a thought process that we're having to go through because the legislature just passed this law. You barely had time to consider all of the factors in making a decision about what you're going to do about this new law that you are facing. 003, which is the time for canvass, there's also an additional time period to consider for the security of the data. 11 -- Up to 11 days after the canvass plus a couple of days for the recount period. Also a consideration in there that says if a citizen or anyone really, anyone can standing, in travis county, asks the custodian, which potentially could be the county clerk, it could potentially be the city, receives a request to maintain security of the dre for an extended period, that request would have to be honored and the equipment would be locked down for a further period of time. Potentially rendering all of the equipment previously used in the previous three elections, locked down and completely unavailable for the city's potential runoff election. Which would put you in now a completely different situation, you would have no equipment available to you for your own runoff election. That's why we said in the very beginning that unfortunately while senate bill 100 is fabulous for overseas and military voters, it puts a terrible burden on us locally to try to find enough equipment for us to be able to conduct all of these closely held separate elections with the current inventory of equipment that we have. All right. .. you can see the lay of the land here and I hope that it's also clear to [indiscernible], you can see the lay of the land here. We have got a problem. How do we get around the problem? Well, one of the possibilities for solving the problem that we do not have enough time, nor enough equipment, to go around and serve everybody in this very tight calendar in this brand new tightly configured calendar, is, all right, well, one of the solutions would be to purchase additional equipment. That's one of the solutions. If you would turn to your second page, please. On your second page, what we have done is obviously the -- the -- the first explanation is we can't really just conduct an election like we've always conducted and just proceed as normal because we don't have the resources here to be able to do that. So a second scenario is let's purchase equipment, and try to go ahead and move forward. Well, in order to do that, and in order to maintain the standards of -- of security and quite frankly excellence that this community has come to demand of elections in our area, what we would need to do is we would need to set aside the equipment and the -- and the personnel and all of the setup, all of the testing that goes along, we would need to create two -- two different worlds, if you will. One that handles the democratic and republican primary and then one that handles local elections, however you end up structuring them. In a spring environment. In other words, treat them separately. You are not going to be able to, because they are on separate dates, separate calendars themselves, you are not going to be able to enjoy the benefits we've always had before of putting elections together. These will be treated separately, so what we're going to have to do is treat them as separate worlds. The republican and democratic primary will have their own set of equipment,

their own set of rules, its own set of testing schedules, its own training for the laws and the rules that govern its requirements and the same with the city. It will have its own separate set of equipment, rules for its separate training, separate individuals who are working to get ready for that election. Everything is going to have to be done in two different worlds. Which unfortunately we don't gain the benefit of us having one big group together. The laws are very different as well. The training if we tried to share personnel back and forth between the two, it could get confusing with the personnel working for us because the rules are completely different for a primary, the conduct of a primary than they are for a conduct of a municipal election. Any of your employees and election judges who have worked both of those elections can tell you how radically different the approaches are. Might I also add that we've also got the human nature here of the competition between serving in one or the other. These are so tightly close, placed together, these elections, that I think that you're in the situation of where really people are not going to be able to work both elections. They're going to have to pick and choose between the elections and since y'all pay a higher wage, it's very likely that you could be attracting away from -- attracting people to work in your election away from the presidential primary. Well, that's another conversation that is going to have to be had locally. I will leave you to imagine that conversation. All right. So if we say that the law does require me to have a -- to play a role in the primary -- in the conduct of the primary elections, then what I have to do is to say all right, I have to -- i have to deal with the primaries first, democratic and republicans, they will be together. They have a common date. They will be able to share a common ballot. So I am going to be able to put them together as usual. All right? So conducting their election is going to look like a normal election to them. And they will have much -- the normal pattern of a gigantic presidential primary. It will be as -- as thrilling and emotional for some of the participants in that presidential primary as it was in 2008. In other words, it's gonna be a big deal. This is not a tiny election. This will be lots and lots of fanfare and lots of turnout and -- whether it will be bigger or smaller than 2008 is for those who know more about that than me to predict, but we're talking presidential numbers. It's going to be big. So it's going to take a lot of resources up front for us to handle that. What happens then is that we set aside the resources needed to do the primaries. And then we look at what's left to conduct -- a primary that was just recently placed in this position, and now we look at what's left to conduct what would have been a normal election for the city. Which is in a most unfortunate situation to put you in. On your second sheet, you can see here, that what we have left for the city in terms of the equipment and resources, leaves you with enough of our infrastructure to cover 85 polling places for election day. And about 15 early voting locations. So I think your early voting locations are probably fine. It's the election day that's the problem. Because this looks to me like about half of what you normally do. I think cutting your election day infrastructure to half is -- is not appropriate for the kind of election that you're looking for at all. So, therefore, in order to try to get your election back up to what you would consider a normal level of polling places, I think that you are looking at upping the level of equipment to approximately 90 -- excuse me, 190 polling places, that is more typical of what the city normally does. That means purchasing about 190 pieces of equipment that are what we call the judge's booth controller. That's the central unit that allows the judges to be able to -- to accept voters and assign them a ballot when they show up at their polling place to be able to vote. Polling place to be able to vote. So a critical piece of equipment. You can't operate a polling place without it. If we were to purchase enough equipment to get you to your normal level of holding a city election, you would have to purchase about 80 of them, of the jbc units and the pieces that go with them, the grand total of that is just under a quarter of a million. It's about \$228,000. Now, I saw this with a caveat. This is our best estimate. I think that it's a conservative estimate. This number could be higher. For a couple of reasons. One of them I first touched on talking about the crowded calendar, the reason why you're in a position of having to purchase equipment if we proceed with your election in the spring, in the may time period. When I mentioned before you have to hold this equipment in a secure lock down until you've cleared the canvas and the recount period, i also mentioned that there's a law, a piece of the law that says that someone can request an extension of that period. All right. If that happened then once again you would be left with everything locked down and you would have no equipment. So the 80 pieces of equipment that you would be purchasing in order to be able to conduct your may election would then be unavailable to you to hold your runoff election. In order to hold the runoff election, you would have to purchase an entire complement of not only the jbc's, but also the e slates, which is the voter unit, that they actually cast their ballot on, and we have not finished doing the calculations for what that piece would cost -- in the event that you had a runoff. And in other words, the message to you is there are a

lot of unknowns here. We are -- we are off into a world that I'm finding difficult to predict. I don't know what might happen to you given various scenarios, but it's starting to get more and more expensive and more and more unpredictable. Now, there are a few other things that I would like for you to consider when you pass on your instructions to your city manager. That is, if you were to consider a november election, I believe in my letter to you I have really made it as clear as I -- as I dare to recommend to my fellow elected officials. And you are independent, your role as independent decision makers. That I really believe that you would be in a better position if you would seriously consider conducting your -- your municipal election with the november election. Because there are some advantages to your voters. This november, excuse me, this may time frame is unforgiving to your voters. This will be -- it does not take good care of them. It will be very confusing. When you just look at what the calendar is, they are going to be confused about which week you are supposed to be voting in which election. Imagine the phone calls. I don't mean to suggest that voters are not very smart, but they are, but this is exceptionally complicated. If it is exceptionally complicated for us to get a handle on, the numbers and the timing, then imagine voters who have lives and families and jobs to take care of to try to confront this when they are just trying to go vote. It is -- it is much more than we normally ask of our voters. The robo call or the volunteer phone call is going to come in, they are going to say oh, well have you voted for such and such candidate today. They are going to be thinking, did i, is that last week's election or next week, yes, I think I voted. They're going to say I have done nothing but vote week after week. It will be confusing. And -- and if you have a voter, your voter who shows up in the wrong place, on the wrong week, they're not going to be able to be in a position where we can be in any kind of way to help them vote if they're in the wrong place. Let me explain that. You can't vote in a [indiscernible] if you show up as a primary. You can't vote for a primary if you show up at a city council race. Obviously those are very separate elections as we have talked about before. In contrast to that, the november election will be very helpful, very forgiving to voters. If a voter is confused about where to go or what, you know, election they are voting in, the november election helps them tremendously. Because we are able to put everything on one election date and one ballot and they get to go to one set of polling places. Unlike the multiple places in november. In november, they show up in one place, we will be able to offer them, we think, it's -- the decision making is still coming, but we think that we will be able to offer voters in november vote centers. That means if a voter shows up a little bit confused about where they are supposed to vote and they know they are voting in a presidential election, but they are also voting in a city election and perhaps, you know, some other election is going to be on the ballot, bond election, whatever else, it won't matter if they have mistaken their precinct. Because we will still be able to allow them to vote. They will not have to vote a provisional ballot that probably won't count if they are in the wrong place. We will simply be able to tell them oh, yes, we can help you, show us your identification, and then we'll find the proper ballot for you, even if you are not in your neighborhood precinct on election day and you will be able to vote the full complement of whatever you are entitled to. That is much more helpful to voters who are going to be dealing with brand new voter requirements, redistricting requirements, and a lot of other confusion. We can help them in november. In may, they are on their own. .. let me just see if i have covered all of the pertinent points here for you. Obviously, the costs go down if you get partners for either your may election or your november election. To the extent possible, we have pulled together the factors as best we can, in general it is cheaper for you to go to hold the municipal election in november than it is for you to hold it in may, the costs are very close. But once again we have failed to factor in these other things about what if something happens and we have to lock down all of the equipment, what if something happens and you lose voters in lots of different ways because we cannot help them because vote centers are only available in november. So there are a lot of complicating factors to think about. And then there are the other competing factors of -- of you are dealing with the republican and democratic parties at the same time if you -- if you further your -- your intentions to -- or if you continue your plan to hold your election in the spring. Rather than -- rather than your november. Once again, my professional opinion is please consider holding your election in november. I want to help you know matter what. It has been an incredible honor for me to serve as your elections officer. I want to continue that collaboration with you, either way you decide. I believe you need experienced help at your side. So while it's -- you're gonna have to be spending money to pay for equipment if you decide to -- to conduct an election in may, I -- I do want to be the one to help you. I would -- I would say that it's probably not a good idea for you to try to go and establish your own office. It will cost you millions to try to reproduce what you and i, travis county, have taken years to develop. Years and years to develop.

But that being said, it's -- this is not something that I would -- that I would -- that I would welcome. It is asking for errors. And it's -- it's not good for voters. And in my very best opinion. All right. I am available to you for questions.

Spelman: Thank you for being candidate with us by the way. This is -- candid with us, by the way. This is extremely helpful. You are the acknowledged -- I don't know if you are the acknowledged leader in Texas or the United States, but you are darned good at what you do.

It comes from love. Once again, it's my honor to be here.

Spelman: Thank you. You said that it would cost us millions to duplicate what you are talking about. I wonder if you can discuss in more detail what would actually be involved if we wanted to staff up, to train our staff appropriately to hold a may election according to the -- within the restrictions that you were discussing.

If you wanted to duplicate what's already there.

If you wanted to do just what you do, interspersed with when you do it, in addition to buying a certain number of jobs, what else would we have to do?

Well, gosh, there have been so many lessons learned over the years, most especially concerning security. So Travis County has spent a lot of money, the commissioners court for doing this, spent a lot of money helping me build an elections division that has permanent staff year round and our primary focus is on testing, auditing and maintaining security. So we live and breathe it. It has taken us probably 25 years to get to this point. So what you're talking about is something that we've incrementally built through all of these years and experienced with paper ballots, punch card ballots, optical scan ballots and direct electronic voting. All of those together have come to this cumulative point. You would need -- practiced and experienced crews of people. Permanently with lots of experience who could do the -- all of the start-up and planning work about -- with budgeting, so that you could plan in advance for how much money you would need to spend for each type of election. One election is not the same as any other election and so you are going to go through a cycle. The cycle that you have picked to start your election division for the city of Austin is the absolute highest cycle. You are dealing with -- with the -- with the part of the year that -- where you hold the local elections and the primary elections and the big jamboree, the presidential election. So is the first part of the four year cycle, you have started at the very peak maximum expenditures, maximum potential for error, maximum planning needs, so you started at the top of the mountain. So your expenditures are going to be the mountain top. Let me see if I can try to explain it a different way, too. You are also going to be, in addition to having all of your budgeting planned for that. You are going to need to have everything in place to run a program that includes -- includes a mobile voting program that doesn't waste your money and the mobile voting programs that don't waste money are mobile voting programs that go where the voters already are. You -- you -- voting -- excuse me, early voting programs need to have a retail approach. It takes time to cultivate relationships with -- with the retailers who -- who out of the kindness of their hearts let you in their door, you know, serve as hosts. They don't have to do it bylaw. In fact, you know, from time to time, they tell us to get out. So you would have to have established those relationships over the years. There isn't enough money to rent their space. They have to do it because they care about elections. So you've -- so your early voting program has to have some background behind it. All right? Otherwise, you are just expecting people to come where the ballots are and those don't work and you just spend money. So it's a quality in the program to start with. Then you have to have had an extensive -- you will have to have an expensive logic and accuracy and proofing mechanism set up so that before anything ever goes out the door, that is six weeks before the election day, because your first voters are going to be military and overseas voters outside of your jurisdictions, so your ballot is already fixed, proofed, completely tested long before any voter here votes it.

Spelman: Okay.

So all of that has to be carefully, carefully tested and you will want to have not only logic and accuracy testing done to make sure that both your voting and counting equipment performs the way you expect it to, right, there's lots of people who will want to comment and criticize you in that arena, right, but you also want to make sure that all of that is locked down after you have proved it perfectly. I mean by proving it perfectly is that when you've -- that you have to run through it perfectly. If you make one mistake, you must start completely over.

Spelman: Okay.

Okay. Then once you have done that, then you have to set up your parallel testing to -- to trick, if you have set up a set of equipment to do parallel -- to do logic and accuracy, you want at least one set of equipment to track both early voting and at least one set for election day that's called parallel monitoring and what parallel monitoring does is it tricks the equipment to think that it's in the field so -- not in a test mode, so that you can test it, too, while everything is ongoing for both early voting and election day. So you have parallel monitoring. Then you want to set up all of the audits for after the fact. Those have become more and more extensive over time of the there are more than you can count on fingers and toes audits that have now been done. So the first couple of years, when we did audits, there were a couple of audits. Now, there are lengthy audits that we do. Then you want to have your phone banks trained and already set up and ready to go before early voting starts because you are going to get lots and lots of phone calls from voters, the number one question they're going to ask is where do i go vote. But you're going to get all kinds of complicated questions about am I in a -- I'm sorry, the correct term is --

Spelman: Limited purpose.

Yes, thank you, limited purpose, full purpose, you are going to get those kinds of questions, so you have to be able to find out where they are, split precincts, rather complicated questions to make sure they get the right type of ballot. All of that training has to be done, your call center has to be set up and staffed. You will probably want to make sure that you are hiring and staffing all of your personnel stuff has to be set up in advance. Is set so that you have double -- two shifts of people to hold down your over time costs. So you are going to have two completely different sets of people operating this entire three to four week period during which you are voting the entire time. Okay? Am I beginning to communicate. I could go on and on really.

Spelman: I got the message. I knew it was going to be a long list. I don't know what it was going to comprise. Now I understand. Thank you.

This gray hair, it's worse than yours [laughter]

Cole: Mayor?

Mayor Leffingwell: Mayor pro tem cole?

Cole: Dana, I want to really, really thank you for coming over and shedding some light on some very confusing facts that we've grappling with. I have some questions for you. First tell me if I heard you right when you said "I'm willing to help you know "

yes. [Laughter]

Cole: Okay.

Yes.

Cole: All of us will breathe a sigh of relief on that.

I will not leave your side. I really --

Cole: Okay.

I really am hoping that my professional opinion will mean something to you, but no matter what you do, I will not leave you.

We heard you loud and clear when you suggested that please just go to november. But I want to go ahead and just level with you that we have a lot of complicating facts that are making us have to think about may.

I understand.

Cole: We have possible citizen petitions that are going to have to make us go in may. We have a complicating issue with our charter. We have -- we have several charter amendments that it doesn't mean that they have to go in november if we go in may we're setting up a charter review committee and they would be ideal to make this type of decision. We only have 7 councilmember goes and four of us are up for reelection, so how do we make that vote? Or resolution. So we have some complicating factors, that's why we have to make sure that we try to do as good -- make as good of a decision as possible. So we need your help.

I know that you will. I know you will. You all will consider this carefully. I have no doubt.

Cole: First, in your analysis on the last page, you talked about total operating costs and purchase of equipment, both. I'm trying to understand if we do have an election in may of 2012, does that mean that also in november of 2012 we would not have to purchase equipment.

That is correct.

Cole: Okay, but the costs are about the same. Can you explain that?

Yes, I sure can, we are all tightening our belts this -- nowadays, you are more than a month or two ago when we first started talking about planning for the -- for the may election costs, and -- with the help with your city clerk. We were cinching the belts back then. So your may election is a -- is a scaled down, stripped down, you know, reduced version of -- of what we would normally do for a may election. The -- the county government asked me to do a five percent reduction. We did the same thing for y'all thinking that you would want a cinched belt. This represents a very reduced budget for you. In comparison to -- to a november election that's probably the -- the highest of all time. So you've got a comparison here between something that's been crunched as much as is reasonable, because of the climate that we're in, and then the biggest of the biggest elections. So the comparison is between, you know, a local that's -- that's trying to be responsible about its budget and being extremely careful compared with the necessity of what's going to happen with the general public with this giant presidential election.

Okay. Because what I was trying to figure out is if -- is if in may you are contemplating that we would actually do the operation and purchase of the equipment.

No.

Okay. Good.

I'm sorry, let me be very clear. This page right here with your costs on it is me doing your elections. I really do not think that it is feasible for y'all to gear up at this late date and be ready on your own. Even if you spent the millions it would take to put you 25 years fast forward into having your own office. I -- I mean I think that you could do that in a couple of years if you wanted to start doing planning to have your own office, I don't mean to say that you can't do that. But I don't think that you could do it in a few months and this is me doing it for you with your purchasing and I did make the assumption, like there's lots of assumptions all the way through here, I made the assumption that if you had partners to share in the cost of the election, that they would also share in the cost of the equipment. That might be incorrect. But it is laid out as a cost sharing.

Cole: Thank you for doing that analysis. I noticed that, I really do appreciate that. Did -- does -- this is actually contemplating that we would purchase the equipment.

Yes.

Is there an option that we could lease the equipment.

I checked on that for you. The answer for the lease is no and the reason why is because of the availability, the reason is because every other city and the school is going through the same thing that you are going through. What the vendor said to us, they can't guarantee there will be any available equipment left on the shelf if other cities are also having to buy available to lease. So they were saying I don't think -- you know, don't -- we can't guarantee it. We don't want to do that. We're not -- we're not -- we're not going to be -- so it's -- it seemed to me that the lease was yet another string y'all way out there on something that you could not rely on and if the vendor was not willing to -- to rely on, either. So -- so lease is not an option for you, purchase is an option. It's also purchasing the option for a system that is at the end of its life because we are in the midst with the city of purchasing a new system that will have a paper element for the future. Which is something that our community has asked for. So you are putting \$228,000 into the tail ends of a system just as we are getting rid of it.

Cole: Let me give you a scenario and hopefully you can give me an answer.

Yes, ma'am.

Cole: If we had a may election, if we decided to do that for the reasons that I gave you before and then we put to the voters whether or not we can move to november in november, and they said yes, what could we do with this equipment?

The same thing that we'll do with the equipment that we have, we will look for a trade-in offer when it comes time to buy the new one. It would be 80 more pieces that would be added to the almost 2100 pieces of inventory that we have right now.

Cole: You are assuming that we could get some type of return on that investment.

Some. We're -- yes. I don't -- I don't mean to lecture people who know far more about economics in the inventory than I do, but the -- but the trend throughout the entire united states is that these -- the systems that were bought 10 years ago is the result of help america vote act has now reached the end of their life, because it's been about 10 years. So at the ten-year stage it's now time to buy a new system, that's the way the aging goes. So every other county and state are also going to be in the same position. So what kind of pricing and what kind of availability the areas for resale or for scrap -- yeah, we don't know yet. We will certainly try our best, we did pretty well the last time we sold the system because we were a little ahead of the market. This time it's the same situation. Ironically, almost

identically the same kind of situation. We're a little bit ahead of the market. We think that we might do a little bit better than the average --

Cole: Let me ask you something about being ahead of the market. I know that you have been involved in purchasing equipment all of the time and made all of the recent purchases. Do you issue certificates of obligation to do that?

Yes, we do.

Cole: Rudy, do you know -- I don't see any of our financial staff, is that an option for us if we buy equipment? I'm assuming -- I'm assuming that, as long as it's over five years, that's -- is Leslie here? Okay. Leslie is coming. The only reason Dana I am having you sit here while I ask Leslie that question, there might be something that comes up.

We would probably, if we were going to issue debt for equipment, would do contractual obligations which are similar. And they typically, you know, they are very short term. We probably also, if this came up unexpectedly, really go through and scrub through budget and see if there are any cash funding opportunities there.

Thank you, Leslie, thank you, Mayor, I'm done.

Mayor Leffingwell: Councilmember Morrison.

Martinez: I want to add my thanks, too, for you to come down here and we have real complications that we need to do with. -- To deal with. Our resolution today specifically asks the city manager for options, feasibility, costs, you have certainly laid the groundwork for that, I hear you loud and clear with your professional recommendation and hopefully we can make sure that our -- what comes to us and the information that comes to us that we are capturing the pluses and minuses that you are listing for us. I do have a couple of specific questions. When you mentioned that we had 165 polling locations, in our last elections, and we only had -- the machines would only be available for 85 of them, so we have to supplement that, do we have any choice in the matter? Aren't we required to have a certain number of polling locations?

I'm going to need help answering that question. And I thought it was 190 was the number of locations you used in your last election.

Morrison: Maybe we have different versions, what I am looking at has 155, that's neither here nor there.

You might have dropped it to 165 if you were anticipating a smaller turnout or smaller elections. You are allowed to do consolidations, it's how far you can drop it. You have DOJ considerations for how far you can drop it. The county rules for consolidation are a little different from municipal rules. I just need help from somebody who knows the municipal rules about how far down you drop it.

Morrison: We can have that be part of the consideration and help that the city manager gives us when they are looking at.

Thank you.

I hear you also loud and clear that too much consolidation causes even more confusion and then can -- can potentially suppress voter turnout, that's definitely going to be counter to what we are interested in doing. Your numbers are very interesting and I don't know if we could put them up, too. I have a question about them, just so we can make sure that the public sees them. It's on the third page of her --

of her.

Handout.

One thing that I wanted to raise and question, was you described something, i think that I missed it a little bit, there's a scenario where you can't even, we wouldn't even be able to use our first election machines for a runoff should one happen. Can you reminds me what gets you into that situation?

Right, it's according to 003, the time for local canvass, then you read the secretary of state advisory number 2010-12. When it says is that the -- the except as provided by section b, each local .. not earlier than the 8th day or later than the 11th day after election day, there's your first part. Then you have a two-daytime to say whether or not anybody can call for a recount. Is practice that you don't mess with it until really you know about the recount, tha extra two days, then under the secretary of state's election advisory, it says a dre shall remain security before the security period 003 expires, the dre's custodian receives a request to maintain security of the dre for an extended period. It could be pursuant to a -- a -- somebody saying that they were going to hold an election contest. It could be -- perhaps they have called for a recount. And they don't want anything touched -- they don't want you to pull anything off until the recount is finished and the recount is not finished then and this is an extra requirement because it doesn't say that you have to hold anything down through the recount, it can be a requirement of the recount.

Morrison: I get what your drift is.

these kinds of situations occur more and more. So in talking about it I've now raised it. Now people know about it. Certainly the politics of don't think is a surprise to anybody in this room, gets more and more contentious the more and more it goes on. I think what used to be is not so much the way we can predict it for the future.

So it's something --

it used to be not that way at all and now more and more we do see these kinds of situations arise.

Morrison: And I just wanted to reflect on your comments about how confusing potentially this could be to the voters, and I recall quite strongly in 2008 the last time we had a presidential primary we had the primary, we had a runoff the next month, we had a municipal election in may and a runoff the following month. And those were separated by some weeks.

Yes, they were. A normal schedule.

Morrison: Even on a normal schedule. So I think whatever we have in front of us feels like it will be a huge challenge. And I really appreciate you coming down and your offer to help us through whatever we do.

Leffingwell: I've got one. I hope it's a simple question. But you've said you would be willing to help no matter what.

No matter what.

Mayor Leffingwell: But the city of austin is also located in williamson county and hays county. What do we do if you offer to help and williamson and hays say no, we're not doing it?

We'll go twist their arms. [Laughter] we'll do our best to work with them. It depends on what kind of

system -- for example, Rick Barron wants to do in Williamson County. If he's doing vote centers that does complicate our life a little bit. They have the right to make their independent decisions. The best we could do is to coordinate. Those are complicating factors that we'll have to work out. Since Rick has come in, the coordination has been, you know, much better and we love Rick. We'll just do our best. That's about as much as I can promise for Rick right now.

Mayor Leffingwell: Okay. I'm not asking to make any promises on his behalf. I have one more question, and it's really I think for the city attorney. I think the question was raised about the legality or propriety of councilmembers who would be affected by extending terms from May until November being able to vote. City attorney, could you address that?

I don't think that there's any legal issue with that if the council made that decision, I think those councilmembers could vote on that. That's not a legal conflict under the state law. So I don't think that that would be a problem if the council chooses to make that decision. I believe those members could vote on that matter.

Mayor Leffingwell: Thank you. I appreciate you taking the time to come down here to city hall and talk to us and certainly all the preparation you did in preparing the data and the tables. We appreciate what you do. And thank you very much.

You're quite welcome and we do extend the offer to your city manager to keep working with them. If you want us to.

Mayor Leffingwell: He will probably be involved in that, thank you. [Applause] the city clerk is also here if you would like to ask any questions to her. I think Dana covered very well about the problems that the city may have with conducting an election on its own. Would you like to say a couple of words, city clerk? Or perhaps answer a question if there are any.

I'm available to answer questions.

Mayor Leffingwell: Okay. I assume you agree with the county clerk's assessment that it would be very difficult for the city to gear up to run an election.

Not having done one in the hawa environment, not having done one since 2002, I feel poorly equipped to imagine how the city could ramp up for this. You asked a question about what would be some of the costs if we were to do it, to duplicate what she has. We would need warehouses and office space and equipment and staff. It would be extraordinarily expensive and difficult to do in a very short time frame when you consider what it would take for us to bid that equipment, purchase it, get it here, get staff hired, get the equipment up and running for early voting. It's a very, very short time frame. So from my limited perspective not having done an election in the hawa environment, I can't even get my arms around how we might be able to do that.

Mayor Leffingwell: Do you think you could put an election on in May without put make anything mistakes? [Laughter]

no.

Mayor Leffingwell: All right. Thank you. So council, we do have one citizen signed up to speak, Ronnie Reefers, signed up neutral.

Thank you, mayor. Well, I signed up neutral. I wasn't really sure where I was going to go on this one, but of course all costs -- let me just say -- can be vastly reduced with paper ballots. Paper ballots, people. The related costs for this -- paper balloting is called for by not only citizens, but election experts who

must -- must be included. And we demand it. And these voting centers, for example, that's the first step to -- not the first step. It's the latest step to take away neighborhood voting in their ongoing attempt, your ongoing attempt to kill paper ballots. Why do they hate paper ballots? Because they would throw them all out of office right away. But here's what confusing. Here so confused. We're just stupid voters. We're too confused. We can't handle having many elections. So sure, we're willing to put out a quarter million dollars cost for 80 more programmable faulty, useless machines. Paper ballots, again, they're called for. The clerk was saying the may calendar was very interrupted by overseas ballots. And to that I'm saying don't blame the troops. The faulty scheduling is your fault. It's not their fault. They're just trying to be citizens and participate. We should be eager to make it easy for them. They're putting their lives on the line. And with this plan that would -- you know, if you skip the may voting, by golly, they would be totally silenced. These men and women putting their lives on the line, their votes wouldn't count for nothing. And so -- and the idea of security. She kept talking about security, all the huge cost of security. There's absolutely no security with electronic balloting. People, if you look into it, it's programmable machines. And there's no -- no security to the ballot. Like there is in a regular paper ballot. That's why you have to have witnesses, people watching the ballots. After they're cast they're in boxes to be looked at by people from both parties and maybe more, so the votes are never really possessed. There's no real security at all with these electronic voting machines. So any costs she talked about with security is imaginary. It's just yet another scam. It's another way to take money from you and put it in their pockets. And this thing about waiting two days for the recount, these programmable, hackable machines should be thrown out. This electronic voting scam. Paper ballots is the answer. [Buzzer sounds]

Mayor Leffingwell: Your time has expired. Thank you very much. Council, I'll entertain a motion on item number 26.

Cole: Move approval, mayor.

Mayor Leffingwell: Mayor pro tem cole moves approval. Seconded by councilmember morrison. Comments? All in favor say aye?

Morrison: Mayor, excuse me a moment.

Cole: We did make a few minor changes which you have in front of you, and it simply makes clear that we are asking the city manager to consider may or november and come back with all the options.

Mayor Leffingwell: Do we have -- is that in writing, the amended language? That's the only significant change?

Cole: That's the only change and the clerk has it.

Mayor Leffingwell: All right. Motion on the floor to approve item 26 as amended. We have a second. All in favor say aye? Opposed say no. It passes on a vote of seven to zero. Now we need to take up item 29 because we have the attorney here. I don't think there's any reason why we can't take up item number 9 and vote on it and go to item 29 then because we have eight speakers signed up on item 29. And we're approaching our 30 time for live music and proclamations. If there's no objection, council will go ahead and consider item number 9, which is a settlement. Welcome.

Did afternoon, mayor, councilmembers,. Today I'm here to present for your consideration a settlement of a lawsuit styled dominic chavez versus the city of austin and individual councilmembers. We've had an opportunity to visit about that in the work session. Are there others?

Mayor Leffingwell: Any questions on item n 9? There are no speakers signed up. Councilmember martinez moves to approve item number 9. Seconded by councilmember spelman. Is there any comment? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. we can start on

item number 29, which is related and pulled by councilmember Morrison. Would you like to -- a comment or we can go to our speakers? I don't think we'll get through all these speakers before 5:30. We'll have to table the item and bring it back, but the first speaker is Maureen Methour. Donating time is Meagan Micenbalk. You have six minutes.

Thank you, Mayor and Council for the chance to speak today. I know you're pushed for time, so we'll try to rush through that. My name is Maureen and I'm a landmark owner, but I'm also part of a coalition of preservation supporters called Saving Austin. For more than a year you've considered this issue, listened to the recommendations of city staff, members of the historic landmark commission and of course taken public input. And there are many people here today to care very much about this issue. And I hope we'll get through all of them. For four decades, Austin's landmark policy has been a key driver in protecting historic building stock, but it's also played a role in revitalizing neighborhoods as well as our iconic downtown streets. These exemptions you and other entities have offered stimulate that impact. Although the policy is aimed at protecting your architectural and cultural heritage, it is also produced benefits, higher property values and stable population in the city's urban core. Sadly some of that information may not have come across in the public debate. And with that thought in mind I would like to have another speaker come if it's okay, out of order, Dan Houston, who is a local planner, and helped prepare an analysis of this issue for us where he'll talk about some of the effects that you may not have seen in the public debate. If that's amenable to you all? All.

Spelman: Mayor?

Mayor Leffingwell: What was your request?

To go a little bit out of order with the speakers and have Dan Houston come present very quickly.

Mayor Leffingwell: Sure. Dan Houston the next speaker anyway, signed up neutral.

There will be five or six slides I believe popping up at some point, but I'll get started. My name is Dan Houston. I'm a consultant with (indiscernible). We do economic impacts and economic strategic planning around the country. We were retained by a group called Saving Austin, which Maureen represents to begin with. And a group of homeowners with an interest in this outcome. What they asked us to do was really three things. One is just get a handle on the actual numbers, how much money are we talking about here. Do I have a clicker for this? Oh, go ahead. First we wanted to see where the savings are and where -- where the exemptions happen today and where they would happen under proposed changes. So what we did was we built a database from TCAD numbers. Our numbers differ from what you've gotten from city half over time. The last time I got a spreadsheet that was city staff developed, we got it from Reeves and Brightwell. It wasn't easy to get that data set in the middle of litigation. I'm pretty confident in saying that our numbers are more accurate than almost any data set out there because we worked closely about TCAD. Denise over there was exceptional any patient walking us through all the different ways you can end up getting a value to someone's exemption. So we've got pretty good totals for 285 I believe was the number of homes that we had that were both homestead and historic. And then we looked to see ring studies around certain neighborhoods. If we can go on. For the 285 homes that we looked at, which are all of the hths that both exemptions together, your costs actually run about \$650,000 a year, our tax expenditures essentially. Looking at the savings that you all have before you today, we weren't clear on exactly what the implementation phase looks like and we didn't want to introduce a lot of assumptions about let's go out five years and speculate about how inflation is, how property values have changed, where future destinations would occur. We took that batch of 285 homes today as they are and said how much would you save if we went to a 2,500-dollar cap per property. And we got to \$50,000 is really the difference in total tax expenditures on the homestead exemption. At a 2,500-dollar cap. One of the things we thought was interesting was to look at how this plays out across neighborhoods. I don't know if you've seen a copy of the report that we've produced for Saving Austin. There's some cool maps in there. You can see around the city as these exemption changes happen, so where is the money going now? Where would it not go under your

revised changes? There's a bit of a shift to the east under a 2,500-dollar cap. But it's useful information to see. Those totals actually end up different because these are the historic homes in these neighborhoods. There's a few left outside of those planning areas. The next thing we did, and this was fascinating, was ring studies. We took census data on the outer ring on any of these is one-third of a mile. And we looked at a handful of things. We looked mostly at population, school age population and property values. And if you go on to the next slide, these are four very different neighborhoods. We looked at the cluster that I think robertson hill is what people call. I just circled that around today for the first time in years. It's wonderful over there. Fairview park just across the river. Hyde park where I live and some of our members of council I believe live there. And old west austin immediately to the edge of downtown. It's important to remember a couple of things about these neighborhoods. These four neighborhoods, despite what anybody might say about the people of hyde park or old west austin, these neighborhoods couldn't be much more difference than one another. We're influenced in ways good and bad by proximity to the university, the state capitol, downtown, and there's a lot of shifting influences around. And the other thing is there's no really comparable neighborhood that doesn't have historical homes. These form a ring around downtown with historic homes and this is where they are. But one of the things we found in all of these neighborhoods, property values have substantially out performed citywide property value increases. Homes in those four neighborhoods in all of those rings extend outing from the clusters of historic homes are rising in value more consistently. [Buzzer sounds]

Spelman: Mayor?

Mayor Leffingwell: Councilmember spelman.

Spelman: As an old friend of mine would have said, significant is not a number.

That's true.

Spelman: Could you describe how much is significantly and why you believe that these four markets out perform the general market?

Ah, I don't actually have the report in front of me as I walked up here. I think constituent property value change was, I forgot, and each of these neighborhoods was I think 10 or more points higher in terms of the property value change. 1990 To 2000, 2000 to 2011 is the last census estimates for property values. It would have been a really cool study, but exceedingly labor intense active and maybe it's one that y'all want to do at some point in your lives, would be to actually pull all of the properties and form circles and actually go look at each property in the circles. For practical purposes we really had to go with census estimates. Each of these neighborhoods, the property value improvements have happened in different periods of time, which is -- east eighth street, robertson hill, fairly recent phenomenon. In the 1990's, it was losing population, property values stagnant, and then boom.

Spelman: I just wondered if you could comment on the social or economic process by a neighborhood that had a significant cluster of historic properties would actually be improving in value faster than other neighborhoods situated with those properties? What's practically speaking the difference from a demand point of view?

Again, that's a fascinating question for a research project, I would think. You know, in this case we're looking at correlations. Because it's very hard to piece out causation. And particularly in this situation, like said, what is a comparable neighborhood that doesn't have historic homes in it? It's really hard to say what that would look like or where that would be. I can go to tulsa, oklahoma and I can find you comparable neighborhoods that aren't doing especially well and that don't have a preservation program. I think it's probably a broader -- again, a broader study than what we're able to do. But certainly whatever we've been doing in these neighborhoods with preservation at the core of each of these neighborhoods, certainly appears to be working.

Spelman: If it ain't broke, don't fix it.

I would argue that.

Mayor Leffingwell: Thank you. Next speaker is -- just come up and tell us your name, please.

Hi, thank you, mayor and city council for allowing me a few minutes to speak today. My name is sarah mccollough and my husband and I own a landmark in old west austin. Our home was built in the 1850's and it is I believe one of the oldest structures in central austin. And it has been a part of the landmark program for decades. The home came up for sale in 2009 and at the time was in total disrepery and in need of a major restoration. Along the same street many homes have been torn down and condos and apartments replaced those homes. And I have firmly believed that if our home had not had this landmark status it too would have been reyesed a long time ago. So why would two reasonably intelligent and mostly sane adults agree to take on a project like this? That's a good question. And really for us there were two main reasons why we purchased this home. The first is that we love the character and the history of our neighborhood. It is right on the edge of downtown and it's a wonderful place to -- we believe to raise our family. The second reason that we agreed to take on this project was really because of the tax incentives because quite frankly, this allowed us to make the financial commitment that would be required for us to restore this home. So I'm going to talk to both of those for one second. The first one being the neighborhood and what I will classify as community value. So again, we have two small children and we really find it important and believe that it's necessary for us to raise our children in a community that values everything that is so special about austin. It makes me crazy when and aisd get nothing from this program. This program actually attracts families to the central core neighborhoods. I have many number of friends who have purchased homes in these neighborhoods, are having children and will send them to aisd schools. These landmarks are the anchors in these neighborhoods and the growth in terms of children, families and increased property values is good for every taxing entity in our city. And then second, I will talk a little bit about tax incentives. So as it turns out, the timing for us purchasing our home could not have been worse. And by that I mean within a month of us starting our and aisd rescinded the tax incentives and the county threatened to do the same. So it's been a year. During that year we've seen lots of depressing one-sided news and debates. And to be quite frank, we stopped construction for several months on our project wait to go see -- find out what the fate of this program would be. And certainly had the hope that you would do the right thing and honor the tax structure currently in place. In other words, grandfather the current tax structure for current owners. I understand that the program was abused. I understand that there's a budget crisis across all of the taxing entities in this town. And it's fine and understandable and makes perfect sense to change this program moving forward. [Buzzer sounds]

Mayor Leffingwell: Thank you. Your time has expired.

It all right. Thank you.

Mayor Leffingwell: Next speaker is raul hernandez. And raul is signed up against. You have three minutes.

Good afternoon. My name is raul hernandez. You may remember me from a few months back. I'm the owner of the paulson sing house in east austin, which is a state landmark. Thanks to all of you the first asian-american city of austin landmark. When I inherited my house I've spent a lot of sweat equity into it. I still have much more needed work, but I'm happy to say that it's a sound structure. And I've restored many of the main features. I come here today because i want you to understand that the city of austin historic preservation program is something that can help east austin. As the economy picks up, development pressure on the east side will continue to grow and with it comes a pressure to demolish historic structures. East cesar chavez is a changing community, but we do not want to lose the important buildings that shaped our culture. My great, great grandfather lived in east austin, spawned a successful business and played a role in our community. My landmark home serves as a reminder

about the evolution of minority rights. We need to remember and honor that. I'm here to simply say please do what you can to ensure the program continues with meaningful incentives and do not punish those of us who sought this protection unfairly simply because we have been granted landmark designation STATUS AFTER JANUARY 1st, 2010. I want to ensure that my house, the Paulson Sinkh, remains in Houston and serves as a reminder of where we came from and that our community is built from a diverse group of people who left their mark. I ask you to be fair to everyone, including those folks who may have purchased a landmark in the last 18 months, who may not have gotten the notice about changes that are -- that you're contemplating today. I thank you for your time and hope you will consider my view. Thank you.

Mayor Leffingwell: Thank you, Raul. Next speaker is David Warner. David Warner is neutral. You have three minutes.

Yes. I handed a letter which my wife sent last September with regard to the December 10th hearing where you granted so many of the historic things. Plus improperly granted an SF down zoning to the property at 1801 West Avenue. And we haven't explored what the legal aspects of that are, but it seems to me that having done that, you might reconsider everything that you granted on that day. Because all the homes in Pemberton I don't think were really at great risk of becoming commercial. And I think that the other thing I want to point out is that although you -- the rationale that many people say is well, we need this and we need to pay people because they're giving up some development capacity, in fact in developing some of these historic neighborhoods, in particular in the northwest area and the area parts of downtown where you're taking G.O. Zoning, which has substantial rights, and essentially putting in some new set asides, what you're doing is you're destroying the development capacity of hundreds of millions of dollars and tens of millions of dollars in taxes. And much more significant than any of this little bit about what you're losing in taxes with regard to specific things. And I think that the fact is that the northwest area you've got really from West Avenue to San Antonio, from Martin Luther King to 15th. And although there's some historic structures in there, they've been G.O. Since 1979. We've owned property since 1983 and have been paying substantial taxes based on the assumption that this was going to be where development would take place. These are 12 blocks with no capital view corridor problems. The northwest plan -- we'll talk more about that when the time comes -- but the fact of the matter is that this is eating the development capacity of this city and leaving places where you can get substantial development in very limited places. And Judge's Hill so-called neighborhood has been the only neighborhood that has been consulted. The landowners have not been consulted. And now Subject's Hill decides they -- now Judge's Hill decides they don't even belong in downtown and they're opting out of the downtown area, even though they're the only entity which this planning process consulted with regard to the northwest area north of 15th Street. So it seems to me that the impact of a lot of this neighborhood historic things is much, much more significant than what anybody is admitting to.

Mayor Leffingwell: Thank you. Last speaker is Julie Fitch. Julie Fitch is for. And you have three minutes.

Thank you, Mayor and Councilmembers. I'm Julie Fitch with Downtown Austin Alliance. And we're in support of this resolution. We do have an issue with the clause on page 4, item d, limiting what the historic landmark can apply to, but I believe that either the staff presentation, if one of you will offer an amendment that will take care of that. So we're in support. Thank you.

Mayor Leffingwell: Thank you. Those are all the speakers that we have signed up who want to speak. Pamela Bell is signed up for, willing to answer questions. And Council, we have -- we 30 time for live music and proclamations, so without objection, we'll table this item to take up after those events. We're in recess.

Thank you, that was our song.

Good evening, everyone. It's time for live music here at City Hall every Thursday or every Council meeting. We have our live music and proclamations at 5:30. Joining us today is musician, writer and

artist bill baird. Bill baird has traveled the world playing music with such notables as arcade fire, the walkman, spoon. His music has been licensed to mtv, the bbc and many independent films. He's also composed original film scores as well as live film scores to accompany silent films. Baird has been printing chap books hifs writing and signing them in independent book stores across the country. One of these chat books, how song writing ruined my life, developed into a class taught at several austin high schools and recently a row knownd institute in big sur, california. Baird also owns his own recording studio in austin where he produces albums for please help me in welcoming bill baird and his friends. [Applause] 🎵🎵🎵 [🎵🎵music playing🎵🎵]

it's a history of humanity and, yeah. In case you're wondering, that's the face of bill baird, different bill baird, the father of reprotw active rights in -- reprotect active rights in america.

I actually like that sang. I used to have a bumper sticker on my truck that said on earth as it is in austin. Your song has some meaning there. This might be the heaven we're all looking for. Bill, do you have a website where we can find your music or your chat books?

Yeah. The websi bilingual billbillbillbillbillbill.com.

Martinez: Should be easy to remember. When is your next performance? Can we watch you play somewhere?

I'm playing after a screening of the film echo tone that's in late august sometime at the parish.

Martinez: Okay. Late august at the parish.

It's a movie about the sound ordinance issues in austin.

Martinez: All right. Should be interesting. Might have to go watch that one. I have a proclamation that i want to present to you on behalf of the mayor and the city council. And the proclamation reads: Be it known that whereas the city of austin of texas is blessed with many creative musicians whose talent extends to virtually every musical genre and whereas our music scene thrives austin audiences supports everyone. And whereas we are pleased to showcase our local artists, now i, lee leffingwell, mayor of the live music capitol of the world do here by proclaim AUGUST 4th, 2011 AS BILL Baird day in austin, texas. [Applause]

Mayor Leffingwell: It's my privilege tonight to read a proclamation honoring breastfeeding awareness month in austin. And we do this every year. It's my privilege to do it this year. And I can say from personal experience to the best of my recollection I remember breastfeeding myself -- [laughter] -- so I can vouch for how effective it really is. [Applause] so I'm going to present this proclamation to donna sundstrom who works in our health and human services department, and she can say a little bit about it. It reads, be it known that whereas breastfeeding affords benefits that no other infant food can providing immunities and optimal nutrition to nursing infants. And whereas breastfed infants have fewer ear infections, upper respiratory diseases and a decreased risk of several chronic diseases later in life, including obesity, diabetes and asthma, while mothers who breast feed have reduced risk of breast and ovarian cancer and osteoporosis. And whereas we applaud the city of austin-travis county health and human services for promoting the benefits of breastfeeding during this month. Their theme, every ounce counts, I like that, spreads the message that every single ounce of breast milk counts towards the health of mom and baby. Now therefore i, lee leffingwell, mayor of the city of austin, texas, do urge moms to breast feed for as long as possible and do here by proclaim august 2011 as breastfeeding awareness month in austin, texas. Thanks, donna. Here's your proclamation.

Thank you, mayor leffingwell for joining the health department in celebrating world breastfeeding month. During the month of august there is a local and nationwide campaign to try to increase public

awareness with the benefits of breastfeeding and also to try to increase breastfeeding -- try to increase public support. This year's theme, every ounce counts, helping moms achieve their breastfeeding goal. This is extremely important since exclusively breastfeeding for six months can significantly have so many benefits to the mom and baby that can last a lifetime. A 2010 cost analysis indicated that if 90 percent families breastfed their infants exclusively for the first six months that it could save the united states \$13 billion in -- over 911 deaths per year. That's significant especially when you consider the financial crisis that the nation is in at this point in time. Currently three out of four mothers breast feed their infants. They start out breastfeeding their infants and about 75%. That rate drops to about 43% exclusively breastfeeding at six months. And with the healthy people 2020 goals and objectives we would like to see that rate increase to 61 percent. And moms are faced with a lot of challenges as the infant grows. A lot of times it just takes the compassion and support of families, friends, health care providers and communities to really provide them the support that they need to continue to reach their breastfeeding goals. So I encourage the entire austin community to reach out and to support breastfeeding moms at home, in the workplace and in the public. We encourage businesses to implement mother friendly work site programs. This not only is a huge benefit to the mother and baby, but also the significant benefit to the employer. It can improve employee morale, it can lower absenteeism and it can reduce company costs. We have so many fantastic breastfeeding resources here in austin and there's a lot of activities going on during the month of august. I would like to invite all of you to join in and celebrate world breastfeeding months. Some of these activities i would like to highlight is essential texas healthy mothers, healthy babies coalition is having an art show tomorrow night and also on saturday night. You can find awe more information at keep austin breastfeeding.com. I highly encourage you to take advantage of that and to attend that event. Also mother's milk bank disoo fantastic work in community to help our most fragile and premature babies with donor milk and they're opening their doors for tours to meet their staff and tour their facility twice as month on august the 11th and august the 25th at 1:30 p.m. Again I encourage you to take advantage of that opportunity. clinic with the health department we have many breastfeeding fairs going on. And one I would particularly like to highlight is on august the ninth at our mom's place breast feed clinic. It's from #k 1500:11:15. Again you can meet the staff and tour the facility. And you can find out more information about that event org or also contacting mom's place at 1-800-514-mom. So we hope you can join us for one or many of these events going on throughout the city of austin. To help us achieve keep austin breastfeeding and help moms achieve their breastfeeding goals. So thank you. [Applause]

Mayor Leffingwell: It's my great privilege now to prnt a distinguished service award to kernel clarke hammond. Colonel is an honor risk title in this case, which i have conferred upon him. Clarke has -- obviously since he's retiring he's worked a very long time for the city, long and distinguished career. He was the municipal court clerk for many years. And retired in the city auditor's department. I understand that we may not have seen the last of him, so he may be coming back in some capacity, but this is his official retirement and our opportunity to recognize him. And I will say that he's a personal friend of mine. He initiated me to polar bear swim day at barton springs and kind of goadz me into going back every year. In fact, you were one of the founder of polar bear swim day at barton springs. Not many people know that. That's one of the little known facts about austin, texas that -- one of the big contributions that clarke hammond has made to our city. [Laughter] one of the big contributions. Anyway, he's a great guy. We'll continue to be good friends. He's going to continue to participate in community affairs here in austin and have a big influence on all these around him as he always has.

Thank you, skipper.

Mayor Leffingwell: So I'm going to read this distinguished service award for you. And then I'll give you an opportunity to speak. And you have no more than 30 minutes. Remember that?

I won't need that long.

Mayor Leffingwell: Distinguished service award for his untiring service and commitment to our citizens during his 22 year tenure as a dedicated employee of the city of austin, clarke hammond is deserving of

public acclaim and recognition. Clarke has not only lent his talents to the office of city auditor, but has served in a volunteer capacity for nine years on our city's zoning and platting commission and on the board of adjustment. Clarke has the gift of recognizing and welcoming virtually everyone who comes into city hall and is also a founding member of the polar bear club. It's even in here, see. Polar bear club, which starts each new year with a refreshing swim at Barton Springs. This certificate is presented in acknowledgment and appreciation of his service to our city and its citizens this fourth day of August in the year 2011 by the city council of Austin, Texas. Signed by myself, Mayor Leffingwell. Congratulations. [Applause]

my turn?

Mayor Leffingwell: Yes, your turn.

Thank you, skipper. I'll be brief. The future for Austin is so bright I have to wear shades. [Laughter] I want to thank our city council, particularly Mayor Leffingwell. I want to thank our hard working city manager Ott, Rudy Garza I've worked with for a very long time and I appreciate the hard work that they do. When I tell people that I'm from the government and I'm here to help you, I really mean it. So a life in public service is a good thing, and I'm hoping I can continue to serve the citizens in some way here in Austin. And I want to acknowledge my long suffering wife Monica. Thank you, Monica for all your help and contributions, and love. Thank you. [Applause]

so for his many years of dedicated service, we have a street sign from the city of Austin we want to present Clarke on his retirement, and obviously it reads Hammonds Way. That's the way he's done it the entire time. [Applause]

thank you, Michael.

We have a small gift for Clarke. We couldn't give him the gold watch, but we got him some kind of clock. [Laughter]

thank you, Robert. Very nice. Very nice. Thank you.

Tovo: I'm councilmember Tovo and it's my pleasure to represent Vanessa Stone and the other members of the Amala Foundation up to the podium. Thank you very much for coming. For those of whom aren't familiar with the Amala Foundation. The foundation is located here in Austin and since 2002 they have been involved in creating projects locally, nationally and internationally that really changed the lives of youth and their families. From providing art instruction to at-risk youth here in Austin to installing water wells in a Nigerian village to working in partnership with a school in India to make sure that children are receiving meals and an education rather than being forced into child labor. So they do wonderful work here. And it's my pleasure to read the following proclamation on behalf of Mayor Leffingwell. Be it known that whereas the Amala Foundation is an Austin-based organization focused on providing opportunities for humanitarian service internationally and whereas the group annually sponsors a global youth peace summit that unites adults and youths ages 13 to 18 as one village for eight days of service, dialogue and exploration of themselves and the world. And whereas attendees come from such countries as the Congo, Iraq, Burma and Africa and many have experienced the atrocities of war, poverty, persecution, gang violence and neglect. And whereas the summit offers opportunities for youth to find a sense of purpose and community among their peers and to put their compassion into action by serving as support for one another and engaging in service projects to benefit the community, now therefore I, Kathie Tovo on behalf of Lee Leffingwell Mayor of the City of Austin, do hereby PROCLAIM AUGUST 6th, 2011 As Amala Foundation's global youth peace summit. Chap clap. [One moment, please, for change in captioners]

> a vehicle and a space for them to be integrated into our Austin community, as well as bring together children from our local communities so we can exchange cultures, uplift one another, uplift our

community through service, and this -- this global gathering for peace. So we are beyond grateful. This -
- this proclamation means a whole lot to the amala foundation. It's very nice to be recognized by the city
of austin and the city of austin has supported us so much over the years, it's a city like this that allows
such diverse and global opportunities, projects like this, to grow and happen here. So we are the amala
foundation, we provide opportunities all year long for people to get involved with our world, through
many meaningful service project that's happen right here in our own back yard. So again, thank you so
much, to kathie tovo and the mayor for this proclamation, i would like to introduce you from our program,
[indiscernible], from guatemala, evelyn from uganda, they are going to say a couple of words. As you
can see, this is what we call one village. These are volunteers and youth from austin and surrounding
areas, other states, we are all geared up for our summit tomorrow. Here is nani.

I'm short. [Laughter]

I'm nani from guatemala. I have almost three years in this country and -- and the amala foundation has
helped me to redefine me as a human being. Find different qualities they have inside of and -- I think a
blessing being part of the amala family. Just I'm so thankful to you guys to -- to believe and know more
about this amazing movement and this amazing product and this amazing thing from god and thank you
so much. Thank you so much for opening your heart to austin. See that this place is a healing place for
other people who are in a lot of [indiscernible] right now, I'm so thankful, thank you so much for giving us
this opportunity and we hope to see you at amala. You will love us. It's really cool. Thank you so much,
thank, thank you. [Applause]

hi, everybody, my name is evelyn opoco, I am from uganda. Here -- last year I took my turn to go to the
[indiscernible] because i was kidnapped from our home, from my parents and I took to be as a child
soldier. After that I got an accident on my face, so that's why I'm in america for -- for recovery. And --
and amala foundation, make a lot of impact in my life because it brought me to a place where I know i
still count myself as being a human being who have rights for myself and for others, and showed me
how to love others. And to love myself. No matter how difficult where you go in life, having faith in
ourselves and others. So thank you very much for having us here. It's a pleasure. And I'm so happy to
be among the youth, thank you. [Applause]

thank you, so much, city of austin, we are very, very grateful. Thank you.

Thank you.

Well, I think you guys -- okay, good, you are all here, yeah. So we are here to celebrate a special
organization, the texas campaign for the environment and their 20th anniversary, which is really exciting
and I -- I do have a list of all sorts of accomplishments that have been achieved over the past 20 years,
which I'm not going to -- not going to read all of them, but I do want to just mention a couple of them.
Going back to 2003, which tce c dell to halt its policy of using prison labor for recycling electronic
equipment, which is a very bad thing because of the health impacts and risks that folks are -- are
exposed to and publicly came and committed to producer take back recycling instead, which is really
terrific. Then in the more recent history, in 2007, tce passed a -- helped to pass the computer take-back
law in the state legislature and it was passed unanimously. So that's a pretty huge feat to get that kind
of support and buy-in for something like that. And then most recently, in 2011, helped to pass state
legislation for television recycling, so you can see that -- that texas campaign for the environment has
been around making our community, our state, a safer place to be. And I was thinking that i have a
recommendation for your efforts for the next legislative session, and that I don't know if you just saw our
county clerk talking about election machines, but it looks like they are all about to turn over and so
maybe take back for election machines, because I think there's going to be a whole lot of them.
Anyways, especially if we have to go out and buy an extra 80 of them. But I do have a proclamation
from the mayor here talking about your great -- this great anniversary. It says be it known that whereas
texas campaign for the environment is one of the state's leading advocacy organizations, dealing with
waste and recycling issues, and whereas tce has played a key role in promoting a vision and plan for

zero waste in austin, and used grassroots democracy in influencing citizens and corporate policy state-wide, whereas tce is celebrating two decades of positively affected the public health and safety of all texas residents. Whereas tce's special anniversary event is entitled trash makeover, fashion reuse challenge, features designers, creating fashions out of recycled materials and displaying them in a runway fashion show. Sounds terrific. A silent auction and tasty delicacy from austin's chefs round out the event. No, therefore, I lee leffingwell the mayor of the city of austin, texas, do hereby proclaim september 24th, 2011, AS TEXAS Campaign for the environment 20th anniversary in austin, texas, congratulations for all of the great work that you have done. I am joined by robin schneider, executive director of tce, as well as stacy and daryl and lonnie. So take it away.

Thank you so much, laura and the council for recognizing our 20th anniversary for texas campai environment. We actually [indiscernible] going 20 years ago working on recycling and waste issues, worked for a while on air pollution issue and back into waste and recycling issues once again and really trying to bring recycling into the 21st century with take-back recycling and zero waste policies. We really need to thank the people who built this organization and made it as effective as it is. And those are our door to door organizers who go out, tirelessly, into the heat, the cold, the rain, to talk to people one on one. And then, also, to all of the people who respond. Thousands and thousands of people across this state who support our efforts and -- and communicate with decision makers to make these changes possible. And then the decision makers like yourself, laura, people at the local, state, federal level, who respond to -- to the efforts and the -- the outpouring of support for these issues. Many people are -- are very surprised to find out how much we are able to advance these issues in texas. Which is not known as an environmental hot spot. So we do want to extend the invitation to folks to come out to our 20th anniversary party on SEPTEMBER 24th, SATURDAY, And it will be at highland mall, we are repurposing an old clothing store to serve as the venue for our event. We're going to have a fashion show, contest, for who can do the best designs with recycled materials and have sustainably produced food as well. So hope to see you there.

Morrison: We will be there, thank you.

Thank you.

We're going to go there.

[Indiscernible]

20 years of getting kicked around. [Laughter]

Mayor Leffingwell: We're out of recess, we will begin where we left off with 29. All of the people who signed up to speak have spoken. 29 was pulled by councilmember morrison. Did you have -- did you want --

Martinez: I may well --

Morrison: I may well have, I don't remember that far back.

Mayor Leffingwell: Councilmember martinez.

Martinez: Do you want to take up an item real quick. We will take up item no. 15. It's been penning all day, I've been talking -- pending all day, I've been talking to staff, I don't need to ask any questions.

Mayor Leffingwell: Since we're in the middle of an item, we'll take that up right after this one.

Martinez: I walked in late, I'm sorry. 29 was pulled by councilmembers morrison and spelman. You don't

have to make any comments if you don't want to?

I would like to make a motion for approval with a couple of amendments. So maybe I will just make a motion to approve and then we can work through the amendments.

Spelman: How about this. I will make a motion to approve and you can offer the amendments which I can accept.

Morrison: Okay. Sounds great.

Spelman: Move approval of item 29 currently.

Morrison: Second.

Mayor Leffingwell: Motion by councilmember spelman. And seconded by councilmember morrison. I would like to offer a friendly amendment, on page 8, to strike part 5 completely and replace it with the following, item 5, until a change of ownership occurs, maintain the current level of tax exemption for properties designated before DECEMBER 1st, 2004, AN Current level of tax exemption for properties designated between december 1st, 2004 AND JANUARY 1st, 2010, OR THE Effective date of these proposed code changes. That's my friendly amendment. Could you accept that or --

Spelman: Mayor, I would like to see it in writing. I think that I know what you are trying to accomplish. Could you paraphrase what you are trying to accomplish here?

Mayor Leffingwell: Basically the proposed \$2,500 cap does not come into place until a change of ownership for all of those properties designated historic after or -- between -- between december 1st, 2004 AND JANUARY 1st, 2010.

Spelman: Okay. How about before 2004 and after 2010?

Mayor Leffingwell: They will maintain the current level of tax exemption for properties designated before DECEMBER 1st, 2004.

Spelman: Okay. After 2010, they actually would come into compliance immediately with the \$2,500 cap?

Mayor Leffingwell: They would come into compliance with whatever -- however the cap is based under your existing -- if the cap goes away at that point, they would go to 2500. Cap.

Spelman: Okay. The current version of the resolution would have, is directing the manager to come up with an ordinance which would call for i believe it was a five-year phase in. The five-year transition from the full exemption down to a \$2,500 cap. And that would be across the board. So what you are suggesting is for that group between 2004 and 2010 they not be phased in over a five year period, but instead go to the \$2,500 cap immediately upon point of sale, is that correct.

Mayor Leffingwell: Correct.

Spelman: Gotcha. Accept that as a friendly amendment.

Morrison: I will accept that. If somebody wants to --

Mayor Leffingwell: That one is accepted. Councilmember martinez did you --

Martinez: I don't think that I have anything related to your amendment, so it might have to be a second amendment. But it's relating to the property --

Mayor Leffingwell: Order.

Martinez: After january 1, 2010 to date, that they would also only be affected at a point of sale. That they would remain under their current exemption status until that point of sale.

Spelman: That amendment is also -- I would consider that also to be friendly.

Martinez: Me, also.

Mayor Leffingwell: That is basically amending the previous friendly amendment.

Morrison: Uh-huh.

Mayor Leffingwell: So -- so that has been accepted by the maker and the second. To basically have the effective date -- the effective -- the date of the proposed code change.

Martinez: Thank you.

Mayor Leffingwell: All right.

Morrison: I would like to offer, mayor, if I may have --

Mayor Leffingwell: Councilmember morrison?

Morrison: There were issues raised with, let me see, it was on page 4, section d. They were concerns about the language there, that it might affect adaptive reuse and facade preservation. And so we have worked with staff to have come up with a -- some language to -- to replace this, that would say no property with an addition or alteration, which has significantly compromised its historical integrity as defined by the national register of historic properties, may be considered a historic landmark, so that allows us instead of being very specific about footprint type scale, et cetera, to just refer and depend upon integrity as defined by the national register of historic properties.

Spelman: Councilmember? May I reasonably presume that the national register has a fairly -- a fairly comprehensive definition of what it means by historical integrity, which would be actionable by our city staff? Staff.

Morrison: I would like to ask staff, because I think that it's reasonable to assume. Maybe staff could just briefly talk a little bit about this to give us some comfort.

HI, I'M alison McGee, department historic preservation officer. Integrity is about a property's ability to convey historical significance, the national register has seven aspects or qualities of integrity that are considered, their location, design, setting, materials, workmanship, feeling and association. In order for a property to be considered to have historical integrity, it needs to possess several but not necessarily all of these aspects.

Morrison: Did that answer your question.

Spelman: Not exactly. Several but not all doesn't tell me. If you keep the facade of a building but add a room on the back, from your point of view would that generally speaking maintain the historical integrity of the building or would that generally destroy it?

Generally, yes, it does allow for additions to historic properties and for a property to still have integrity. But you take into consideration how many changes and the degree of those changes.

Spelman: Okay. Would you feel a need to come up with administrative rules or is this something which you can -- how would you ensure that we were maintaining the national register's codification of historical integrity as you just defined it?

They have quite a bit of literature to provide guidance on how to take into consideration those aspects and apply them to properties in different situations.

Spelman: Okay. Your approach would be to use that literature to use the precedents established by the national registry as a means of ensuring that we've got, we are applying it here appropriately.

Correct.

Okay, thank you, I will accept that as a friendly amendment.

Morrison: Thank you.

Mayor Leffingwell: Okay. I want to explain the reason my initial amendment extended back to January 1st, 2010. Instead of having it effective the date of the code change was because that was the time beginning JANUARY 1st, 2010, WHEN Properties who were about to be -- who had applied for historic designation were advised that this could be changed at any time and likely would be changed at any time. So I'm going to support the motion either way. But I would like, Mr. Sadowsky, can you give us some idea of how many properties would be Sadowsky, from JANUARY 1st, 2010 TO SAY The present date, approximate?

It would be approximately -- approximately 20.

Mayor Leffingwell: About 20.

Yes, sir.

Mayor Leffingwell: Out of a total of 260 odd?

It's about 260 residential properties altogether that we have. Owner occupied residential properties.

Mayor Leffingwell: So not totally -- not totally a major factor, roughly eight -- eight percent or so, something like that.

That's correct.

Mayor Leffingwell: But I know that we did have a large number designated during 2010 after a lot of folks came forward and make that application. But -- but as I said, I'll support the motion either way. I just felt that it would be a little more of a -- albeit modest step towards affecting the amount of revenue that we're not receiving from these tax exemptions. Councilmember Tovo?

Tovo: I have a couple small amendments to propose, too, these are in the nature of kind of language

changes, but i think, I know we're going to tweak the language and whatnot during the ordinance process, but this is just to bring it boo some consistency with some of the national standards. So on that same page that we were looking at, we had talked the other day in the 2 represents a significant portrayal of the environment of a definable group of people in an historic time. I'm going to suggest that we make a change to represent a significant portrayal of the cultural practices or the way of life of a definable group of people in a historic time. So that captures some of mayor pro tem cole's comments from the other day and I think that it's further definition to the word environment.

Spelman: Extremely acceptable to the maker.

Tovo: Thank you, I'm extremely glad to hear that. Great.

Cole: [Indiscernible]

Mayor Leffingwell: So the maker, the maker and the second both agree to that friendly amendment. That be included in the motion.

Tovo: Super. Then on let's say on page 2, .1 b says the property retains a very high degree of integrity and materials to clearly convey its historic appearance. I would like to change it to retains a high degree of integrity as defined by the national register of historic places that clearly conveys it's histrionic historic significance, a similar to the one that we just discussed to tie integrity, rather than talking about the integrity of materials and design, but just to say integrity and then reference the standard, the national standard for that.

Before I agree to that, sounds reasonable, just want to be sure from the law sadowsky that this is not -- ask not interfere, there's no conflict with the friendly amendment, which has just been accepted offered by councilmember morrison.

Doesn't appear to be from my pitch, no, sir.

Spelman: Fair enough.

Two more quick ones.

Mayor Leffingwell: Accepted by the maker and the second. All right.

Tovo: Two more quick ones, let's see, three is also on page 4, actually the next -- the remaining two are on page 4, under community value. It currently reads the property has a unique location or physical characteristic, et cetera, I'm going to propose that we add three words to it, after physical characteristics or significant feature, that contributes -- I'm sorry, it's actually -- there are some edits there. I'll just read my proposed change. The property has a unique location, physical characteristic or a significant feature that contributes to the character, image or cultural identity of the city and neighborhood or a particular group. So it's in effect removing that represents an established and familiar visual feature of the city and substitutes what I think is some -- some more descriptive language there.

Spelman: Need not be established and familiar, but does need to be unique, that works for me.

Mayor Leffingwell: Accepted by the maker and the second.

Tovo: Good. Lastly, point five, landscape feature. I'm going to suggest that we change that to cultural landscape. So that it doesn't sound too much like -- I think that that might be landscape feature is sort of a small -- I think what we're talking about there is really the landscape, the cultural milieu and I see that

you are shaking your head no. Sadowsky what were you talking about in five, i assumed that you meant physical landscape there.

We did, things like treaty oak, mount bonnell, not necessarily would have a strong cultural association, but still landscape feature, this could also be something like the gardens at laguna gloria.

Tovo: Okay. I guess what really troubled me was the word feature there, that's sort of an element of the landscape. But if landscape feature conveys sort of the breadth and context of it, I think we can leave it as it is. Okay, then just the three that we've talked about.

Mayor Leffingwell: Not accepted by the maker and the second.

Spelman: Not offered.

Mayor Leffingwell: Okay. Offer withdrawn. Anything else? Motion -- motion on the table as amended. And -- and -- and would the maker of friendly amendments, the one that passed, furnished that information in writing to the clerk. All in favor of the motion say aye.

Cole: Mayor I have a few things to -- to --

Mayor Leffingwell: All right. Mayor pro tem, we do have an ahfc meeting, bond counsel from out of town has to catch a 7:45 plane. Go ahead. [One moment please for change in captioners]

bet city spencer, treasurer of the austin austin housing finance corporation. Tonight I offer two items for you on consent. Item 1 is the approval of the minutes of the last meeting and item 2 is a resolution authorizing the sale of some mortgage-backed securities relating to the austin housing finance corporation's single-family mortgage revenue bond series 1997 and the subsequent redemption of austin housing finance corporation single-family mortgage revenue bond series 1997 and other related matters. I'm available for questions.

Mayor Leffingwell: No citizens signed up to speak. Consent agenda is items 1 and 2. Is there a motion to approve?

Cole: So moorve.

Mayor Leffingwell: Motion by councilmember cole to approve. Seconded by board member spellman. Discussion? All in favor say aye? Opposed say no. It passes on a vote of seven it passes on a vote of fiveto zero with board member morrison off the dias. So without objection, council, we'll adjourn this meeting of the austin housing finance corporation and call back to order the meeting of the austin city council. And begin with item number 15, which promises to be very short, councilmember shade? -- Councilmember martinez? Did you want to address item 15?

Martinez: I'll just move approval.

Cole: Second.

Mayor Leffingwell: Councilmember alvarez moves approval, seconded by councilmember cole. -- Councilmember martinez moves approval, seconded by.

Cole: All in favor say aye? That passes by a vote of five to 0. Item 27, we have four citizens signed up to speak. We'll begin with the speakers. James burns signed up for. All the speakers are signed up for.

.. welcome. You have three minutes.

Thank you. Good afternoon. I'm jim burns, ceo of community sun, an austin-based solar company. I'm here to speak in favor of the resolution. Item 4 of the resolution requests that the city manager and the austin energy general manager address the, quote, potential for community solar projects, including any legal restrictions, end quote. Community solar is a form of distributed renewable generation that grants interest in community-based solar form for those people and businesses who otherwise cannot install solar panels on their rooftops. Shared interest in the facility provides tremendous economies of scale resulting in cost savings. It works just like rooftop solar except the panels are located elsewhere and they are cheaper. Community solar is the emerging national solution for providing simpler and more affordable access to solar for renters, businesses and those with shaded, small or north-facing roofs. Or those who find rooftop solar out of reach financially. But there are two major forms of community solar. Citizen owned and utility or some form of third-party owned. Our company, community sun, offers its customers a unique form of community solar that is privately owned and finance and unlike community owned community solar it does not impact the rates. Utility-based power purchase agreements are third-party forms of community solar can be expensive and typically require the city to guarantee the payments for the life of the project. We believe citizen-owned community solar provides the best benefits to austin energy, to the city, to the ratepayers and to the owners by providing parity with those that have the luxury of a suitable roof. As everyone monitors the ercot reports, note that widespread adoption of community solar can significantly reduce our demand. We ask that the report address citizen-owned community solar in addition to the other forms of austin energy may be contemplating. If the report were to compare and contrast these two forms of community solar, we believe the city will be well served. We at community sun believe citizen-owned community solar makes distributed renewable generation simple, affordable and financeable. We urge the council to pass this resolution with all forms of community solar to be addressed in the report. Thank you.

Mayor Leffingwell: Thank you. Next speaker is roy whalely signed up in favor. After roy is sunshine maython. Is sunshine here? If You will be next. And jeff howard finally. Sunshine mathon signed up for. You have three minutes. Is that coincidental name?

It is coincidental, yes.

My name is sunshine. I work for foundation communities. I'm a design and development director there. Up until a couple of years ago foundation communities was actually the single largest private owner of solar in the city of austin that has changed in the last couple of years in part because of what I'm going to discuss here today. I'm going to speak both about the short and long-term solar incentive programs the city has at play at the moment. Over almost a year and a half ago when the city of austin -- the austin energy changed its commercial incentive program to pbi from a rebate program, nonprofits essentially got left in the dust. For two reasons. One is that the model, the pbi model, assumes that a corporation or a commercial entity can take advantage of the federal tax credit, which of course nonprofits cannot. And secondly, because the burden of up front capital costs for nonprofits is largely out of reach. I've worked diligently with austin energy, specifically (indiscernible), over the last year and a half, to try and find an al learn active solution -- alternative solution for nonprofits in light of the pbi structure. The most significant idea that was put out there essentially was third-party leasing. So upon directive from austin energy, I went and sought third-party leasing bids, proposals, for pretty much as vanilla and simple and straightforward of solar projects as you can imagine, which is metal roof, straight south facing, no shading on it, looking for a 20-kilo watt for our financial center in south austin. The end result half probably six to eight months of negotiation, back and forth between multiple leasing companies, ourselves and austin energy to come up with a contract that everyone could work with, the language of the contract we essentially all agreed upon. So we had kind of a legal structure that worked. The money side didn't. Even with the third-party leasing's ability to mon ties the 30% federal tax credit, there was still a gap in terms of what worked for us and with the leasing company. One particular company was looking at less than five percent irr switch nnd in the solar leasing world that's pretty much bottom of the barrel. In perspective, all of our solar arrays, we've been good with 12 to 15 year pay back scenarios. There was still a significant monetary gap in between to make it work. I do not believe

without some additional boost from austin energy, whether it's increasing the pbi rates for nonprofits or an additional dollar per watt on top of the pbi on a front end rebate, whatever the scenario; we haven't hit it yet. [Buzzer sounds] I urge the council to please direct austin energy --

Mayor Leffingwell: Thank you.

-- To come up with a solution that works for us.

Mayor Leffingwell: Jeff howard? Okay. Roy whaley.

[Inaudible - no mic].

Mayor Leffingwell: You can only decline to speak twice and you're out. [Laughter] okay. Go ahead, mr. howard.

Thank you, mayor, good evening, councilmembers. My name is jeff howard. I want to thank councilmember riley, mayor leffingwell and councilmember spelman for sponsoring this resolution. I think it's important and I'm speaking to you today as a member of community sun, the community solar company that mr. burns mentioned. I want to address you as a former volunteer participant in a couple of city taskforces that looked at energy efficiency and solar power in particular. I had the good fortune to serve on mary wynn's energy efficiency taskforce and on one of the working groups on the pecan street poj that dealt with implementation of strategies to get a netzero energy homes. And we looked at specifically about how to make solar work in a residential environment, particularly on a community basis. And those discussions were wonderful and very enlightening, but I often felt a little bit like a wet blanket at those meetings because I was the business representative and I was talking about some of the realities. When it comes to complexity of getting solar finance, the financeability of it, the affordability of it. And so those were the types of concerns the business community had. Complexity, unaffordability, unfinanceability, those are words. What I'm excited about today is the concept of community solar. And I can't tell you, having looked at this, I think this is a real potential solution. And I think that citizen-owned community solar will deliver simple, affordable and financeable solar that will lessen peak demand and safe ratepayers money. And I also strongly believe that the business community will embrace this solution and help make it happen. Community solar is something that can be made available to renters in apartments, to commercial tenants. It can be made available to nonprofits. And so we really need to look at it, and I urge you to pass this resolution. Mayor, you mentioned at the austin energy briefing about the smart thermostats. I have one of those. I just felt it was the right thing to do to help do --

Mayor Leffingwell: You've been here a long time.

I've been here a very long time, yes, sir. I thought it was one of the -- a small thing to do for conservation. And my ac has been going off at least 15 minutes everyday lately. In fact, scrolling across the screen right now is the ercot warnings of rolling blackouts. I have that smart thermostat, but I would really like to be able to participate in community solar so that I could lessen peak demand for 12 hours, not 15 minutes. And I can lessen it for 12 hours and keep my ac running. So again, thank you very much for bringing this resolution forward. I encourage, strongly encourage you to pass it and I look forward to working with all of you on its implementation, thank you.

Mayor Leffingwell: Thank you, jeff. Now roy whaley.

Howdy. My name is roy whalely, vice-chair of the austin sierra club and thank you for your indulgence in let me look for the letter that I brought with me this morning that I had written out very nicely. I actually took time to prepare remarks this week. And then when I had to leave and go home, I forgot and left those on my desk. But it's very exciting, and pleasing to me to be on the same side with jeff on this issue. We're very happy about that. We're in partnership on this. We do, of course, support solar. The

sierra club does. And we're happy to be on the same side of this very important issue and I wanted to specifically thank the co-sponsors of this initiative, and that's about it. We expect that this is pretty much a slam dunk, so we'll let you get about your business. Thank you.

Mayor Leffingwell: Thank you, roy. Comments? Is there a motion on this item? Councilmember riley moves to approve. Seconded by councilmember spelman.

Riley: If I could say a few things. I want to thank the speakers who came and waited for awhile to speak on this. And also I want to thank the co-sponsors, the mayor and councilmember spelman. Just a quick word about why we're talking about this today. The context that we're in is that in february that the austin energy put out an for wind and solar projects, up to 200 megawatts. We got a bunch of responses in and what we heard today is that we are positioned to move forward on two of those responses or more, but only the wind. We're not actually doing anything on solar because solar just -- the applications that came in, while many were interesting and appealing, they just couldn't compete costwise with wind. I'm very excited about the progress that we're making on wind, but I do have to note that our generation plan that we just approve last year did call if for significant solar resources and solar also offers opportunity for economic development locally that we just don't have with wind. So there's a lot of reasons why we need to be looking carefully at solar to figure out exactly how we can achieve those goals on the generation plan and support the development of a local economic development opportunities as well. And so in the course of working on the reports that are contemplated by this resolution, I'm hopeful that the utility will be looking at new initiatives that could support the local solar industry and homeowners, and in particular look at a number of issues that are related to the things that we talked about this morning. As we move to a new business model we'll have to figure out exactly how our solar incentive wills work in the context of that business model and the new rate design. We need for look carefully at the community solar options that were just discussed here a few minutes ago, including both the utility owned and customer owned options for community solar. We also need to look carefully at our rebate program and figure out how that can work for all of our customers, including especially nonprofits, which historically have been great supporters of our solar program and have struggle under the new production-based incentive just because it's difficult scenario -- difficult for nonprofits to make use of that. So there's a lot of work to do, a lot of exciting opportunities. We have a great community of people here who are very newsy as tick about working on solar. And I'm looking forward to being able to expand the opportunities for the utility to work cooperatively with all of those who want to support the development of solar in austin. I'm very eager to see the report that will come from this resolution today. With that said, I'll again move approval.

Mayor Leffingwell: All opposed say no? Passes on a vote of six to zero with councilmember morrison off the dais. Council, item number 33, which was approve earlier today, with a postponement of the hearing date for the komen race until september 1st because we had no meeting on august 25th. It turns out that in spite of what your dais calendar says, we do have a meeting on august 25th. And since september 1st is going to be reserved primarily for debate on the tax rate, hearing on the tax rate, I would -- I think we should reconsider and amend item number 3 to set that public hearing on SEPTEMBER 1st.

Cole: Second.

Mayor Leffingwell: Councilmember spelman moves to reconsider and amend. As stated until SEPTEMBER 1st. Second by mayor pro tem. Discussion on that? All in favor say aye? Opposed say no? It passes on a vote of six to zero with councilmember morrison off the dias. I spoke incorrectly. It should be august 25th on that date. I'm sorry. My mistake. So it is august 25th. So let's -- we'll revote on that issue. Favor of the august 25th date say aye. Opposed say no. It passes on a vote of six to zero with councilmember morrison off the dias. Mayor pro tem.

Cole: I don't believe that we voted on item number 28 when we pulled it for executive session.

Mayor Leffingwell: We have not gotten to item 28 yet. We've got several items. As a matter of fact, we have about six items. I thought without objection we would go ahead and go to our zoning cases since most of those are on consent agenda. We could work our way through the zoning consent agenda.

Thank you, mayor and council. Greg guernsey with planning development and review department. I apologize for coming in late. We had a discussion item where I believe we had a postponement request on one of the items. I was trying to clarify the date of the request so i could possibly offer you the entire zoning agenda on consent. I think they're still talking by staff outside. Let me go through the items that I can offer for consent 00 zoning and neighborhood plan amendment item. I guess not. Didn't work out on the postponement. Item number 40 is case c-14-04-0022.01. This is the north university nccd amendment. This is an amendment to the north university conservation combined district, neighborhood plan combined district property. This is to change a condition of zoning. The staff recommendation and the planning commission recommendation was to grant the nccd-np to change the condition of the zoning on this property and it's for consent approval on all three readings. Item number 41 is case c-14-2011-0031 for the property located at 6701 burnet road. This is to change the zoning of that property to commercial liquor sales milked use vertical mixed use building overall overlay neighborhood plan. Planning commission's recommendation was to grant the that and it is ready for consent approval on all three readings. Item 42 is case c-14-2011-0055 for 12502 and 12504 tomanet trail. The applicant has requested postponement to your february 22nd agenda. Item 43 is case c-14-2011-0060 for 108 west gibson street. Applicant has requested a postponement of this case to your august 25th agenda. Item 44 is case c 01 for the property located at 12221 north mopac expressway northbound and 2311 to 2511 park bend drive. Staff is requesting a postponement of this item to your august 25th agenda. Item number 45, case c 14-2011-0043 on 753 montopolis drive. This will be a discussion item. I believe we have one or two people to speak in opposition to this item. Case 46 is c-14-2011-0049 for the property located at 9900 to 10324 dessau road. This is a zoning change from traditional neighborhood district to multi-family residential limited density for tract 1. Townhouse, condominium residence or sf 6 district for tract 2. Multi-family residence, medium density or mf 3 district zoning for tract 3. Community commercial district zoning for tract 4. And limited industrial district zoning for tracts 5 a and 5 b. The zoning and platting commission did recommend the zoning change request with conditions. I believe there is a councilmember that may want to add a condition and another that may want to comment on this case. I think we can still leave it on the agenda, the consent agenda. It's only ready for first reading this evening. So it will have to come back another day for final reading.

Mayor Leffingwell: Does anyone want to pull out item 46 from consent? Councilmember riley.

Riley: I had just one very minor condition to add, but if everyone is agreeable it could stay on consent. The condition is simply to access through (indiscernible) lane.

And I know the applicant's agent is here and they don't object to that request of council. I'm getting a thumb's up by the applicant.

Mayor Leffingwell: Okay. So that will be the case then.

Tovo: Mayor, I just had one quick comment to make about that. It's really something maybe we can take up for a work session at some point. You know we have a new educational impact assessment to look at how zoning changes or other ordinance changes might impact schools in the area. And this is a good example of why we may need to look back at that educational impact assessment and see how it can be adapted for other school districts. This is a site that falls outside of the austin independent school district, but it will, with more than 600 new dwelling units, it certainly will have an impact on the manor independent school district. So as a pending issue i think we should revisit the educational impact statement and see how to make it work for the other seven districts within our austin boundaries.

Mayor Leffingwell: Okay. So the consent agenda is to close the public hearing and approve all three readings items 40 and 41. To postpone item 42 until SEPTEMBER 22nd. Postpone item 43 until august

25th. To postpone item 44 until august 25th. And to close the public hearing and approve on first reading only item 46. Mayor pro tem moves to approve. Second by councilmember spelman. Discussion? All in favor say aye?

Aye.

Mayor Leffingwell: Opposed say no. Passes on a vote of seven to zero. So council, items 50 and 51 do not have anyone signed up to speak if we could go to those items. Hearing none, we will take up items 50 and 51 to conduct public hearings to receive comments on proposed assessments on the public improvement districts for the whisper valley and indian hills areas. 2010 the city of austin made the creation of the public improvement districts in response to petitions by the property owners. A state law prerequisite to creation of a pid. The city council has also previously voted to approve a development agreement zoning and limited purpose annexation of the whisper valley and indian hills areas. Staff has been working with our financial advisor, bond counsel and the developer to develop a project financing plan which includes the issuance of p.i.d. bonds. These bonds will help pay for the basic infrastructure supporting the development and including water, wastewater and roads. bonds are to be paid by assessments on the property and payments made to the developer for the city's existing cost reimbursement agreements for water and wastewater infrastructure. The bonds are not subject to the full faith and credit of the city and no tax dollars will be used to pay these bonds. Council will consider the actual assessments on the property here in the city council chambers at our regularly scheduled meeting on august 25th, 2011, which in these chambers. The preliminary service and assessment plan is on file with the city clerk's office. Staff will now provide a brief presentation on the projects and assessment plan and then I will call on speakers to the podium to comment on item number 50.

Thank you, mayor. I just have a couple of things to add related to the whisper valley and indian hills projects. They are located in the city's desired development zone, the whisper valley project is about 2,066-acre development located east of sh 130 at farm road 973. Indian hills is about 240-acre development and it will be located west of -- west of sh 130 on decker lake road. We will be -- in addition to the actual assessments on august the 25th, we will be coming back to you as part of our regular general obligation bond sales coming forward to you on august the series of p.i.d. bond sales. And again, these are not general obligation debt. They are secured primarily by the assessments that you will be considering at that meeting as well as the reimbursement agreements that you referred to earlier. And with that I think those are the primary points that we wanted you to be aware of. We'll also be getting one more memo out to you between now and the 25th, kind of outlining all the work that we've done to prepare for this and giving you kind of a refresher on the project background. Thank you.

Mayor Leffingwell: Thank you. Is there a motion to close this public hearing? On the city's proposed assessment. There are no speakers signed up. So moved by councilmember spelman. Seconded by councilmember morrison. All in favor say aye say aye? Opposed say no? It passes on a vote of seven to zero. We'll now take up item number 51 for public comment. And there are no speakers signed up on this item. There's a motion to close the public hearing on this assessment. Councilmember spelman moves approval. Seconded by councilmember morrison. All in favor say aye say aye. All in favor say aye? Opposed say no. It passes on a vote of seven to zero. And the final public hearing on the proposed assessment is now closed. So now council we will go back and take up related items 12 and 48. Speakers have signed up to speak on both items at the same time, however we will consider the items in separate motions since there's a special procedure that we have to go through on item 48.

Good evening, mayor and council I'm george zapalac with the development owe on owe with the department of development and review. Item 48 is appeal of a hill country roadway site plan for the property located at 2500 to 2530 walsh tarleton road.

Mayor Leffingwell: zapalac, could you suspend just a minute? Since we are officially taking up 48 now, I need to ask are there any requests for postponement or any issues of standing that anyone would like

to raise? Okay. Hearing none, go ahead.

Thank you, mayor. Item 48 is an appeal of a hill country roadway site plan for the property located at 2500 and 2530 Walsh Tarleton Road. And item number 12 is a manage the growth agreement which extends the life of the site plan for the same property. Since these two items are related, you should take up item 48 prior to item 12 or vote on item 48 prior to item 12, but I will present them as one item. As posted on your agenda, there were originally two appeals of the site plan. One by the neighborhood and one by the applicant, however the applicant's appeal has been withdrawn, so the only appeal before you is by the South Bee Cave Woods Neighborhood Association. The applicant is requesting approval of a hill country roadway site plan with a number of waivers and development bonuses. The waivers involve construction on slopes, increasing the floor to area ratio for a nonresidential building, and the bonus involves increasing the height from 40 feet to 53 feet. The applicant is also requesting a managed growth agreement to obtain a 10-year life for the project rather than the normal three years. The existing site is located across from Barton Creek Square Mall and consists of the old Cinemark Theater, which was originally built in 1996 and closed in 2007. The property is zoned general retail mixed use. It received the zoning about a year ago in August of 2010. It is located in Barton Creek Watershed over the recharge zone and consists of approximately 16 acres. The existing impervious cover on the property is about 54%. And the height of the existing theater on the property is 63 feet. In addition to the theater and the parking on the property, there is an existing sand filtration pond located down close to Loop 360. The proposed site is located in a moderate intensity zone of the hill country roadway, Loop 360, and it consists of a mixed use project of approximately 226 residential units, 75,000 square feet of office, 8,300 square feet of retail development, a restaurant and a parking garage. The -- at the same time the zoning was granted the mixed use zoning for this property was granted a year ago, the property also received approval to take advantage of the redevelopment exception in the Barton Springs zone. Which is the first project in the city that has taken advantage of this -- of this change in the ordinance, and it is allowed to keep the impervious cover -- to keep the impervious cover of 54%. But provide mitigation and upgrade water quality controls to the S.O.S. Level. The waivers that are being requested at this time are first for construction on slopes of over 15% and to increase the floor to area ratio. The hill country roadway ordinance specifies certain floor to area ratios that are allowed on different slopes and so they are increasing the -- asking to increase the allowable amounts. The staff is recommending both of these waivers because the slopes are primarily man-made. They were created with the previous development and so they're not undisturbed areas for which standards were designed. The applicant is proposing revegetation of the slopes and terracing, so the staff feels that the additional approval to build on the slopes is warranted. F.a.r. The applicant is also requesting the development bonus to increase the building height from 40 feet to 53 feet. In order to obtain a bonus, the applicant is required to meet at least six of the 12 criteria that are contained in the hill country roadway ordinance. So they are meeting six of the 12. The first one is to increase the setback along Loop 360 from the standard 1 foot to 200 feet. There will be a large undisturbed area along 360 that is maintained. Secondly it is a mixed use development. They have reduced the building mass by breaking up the buildings. The existing building on the site is a rather large cinema complex that will be redeveloped into three large office/retail/condominium structures and a number of smaller single unit structures. They are also proposing to use pervious pavers, pitched roof design features and energy conserving features through the one star green building program. So staff is recommending the bonus in this case. I've been asked what some of the building heights are in the area. There is a bank building which directly adjoins this property to the north. It's a two story building approximately 35 feet. There's another two story office building joining it to the south at the intersection of 360 and Walsh Tarleton, which is about 35 feet as well. Barton Creek Square Mall, the tallest buildings there are 46 and a half feet. Farther east at the intersection of Mopac and Loop 360, the terrace development on the east side of Mopac has buildings as tall as 120 feet. And then at the southeast corner of that same intersection, there's a 60-foot office building. The proposed benefits of the project include upgrading the existing filtration pond to a retention, irrigation pond. Payment of over \$400,000 into the Barton Springs zone mitigation fund that can be used to acquire and preserve other property in the Barton Springs zone. The applicant is also providing over \$71,000 for traffic improvements, and I'll get into a bit more detail on that in a moment. As well as about \$147,000 in parkland dedication fees. They are providing integrated pest management plan and they are restoring 40% -- 40% natural area that was previously disturbed. In

terms of the projected traffic on the -- along the top you see three columns showing the existing uses on the site. The previously approved site plan for a different type of mixed use development, and the proposed site plan. The existing uses on the site, the movie theater generated about 3900 trips per day. When it was in use. The previously approved plan that was -- that was approved 2006 consisting of a restaurant, additional office buildings and a retail development would have generated about 9700 trips per day. The proposed development looking at the individual uses generates about 4200 trips per day. However, because of the mixed use character of the proposed development there are some internal trips that occur between the restaurant and the office, restaurant and the retail and the other uses. And so the actual number of new trips on the site will be approximately 3601, which is actually less than the movie theater generate when had it was in business. As I mentioned, the applicant will be posting over \$71,000 for a pro rata share of various traffic improvements, including turn lanes and traffic signals. And they will also be implementing the transportation demand management plan, including reserve, carpool spaces, flexible work schedules and bus passes to employees. The managed growth agreement which is on your agenda, for this the applicant is requesting a 10-year permit life rather than the normal three years, which this would carry through the year 2021. The management growth agreement in the code is intended for large long-term projects and projects that have special benefits in the public interest. This project will be a large long-term phase project. It does bring about the redevelopment of an existing abandoned site. It enhances the existing water quality controls to levels and it does allow for purchase of mitigation land. So it -- we do feel that it has special benefits in the public interest and should qualify for the managed growth agreement. The zoning and platting commission heard this item on May 17th and it approved the site plan with the waivers and the development bonus. With staff conditions. But they did eliminate one building reducing the -- eliminating three units -- three residential units to reduce the impact upon the slopes. There was some confusion about what the commission's action was. They did take a couple of different motions and there was some misunderstanding about what the vote was. But staff feels that they did legitimately rescind their previous action and vote to approve the plan by a vote of 4 in favor and one opposed with one absence. [One moment, please, for change in captioners]

council's options are either to uphold, modify or reverse the zoning and platting commission's decision to approve the site plan and then also to approve or deny the managed growth agreement. I would like to mention that this site plan is a bit different from other site plans that you see many of the site plans that come to you are conditional use permits. This is a hill country site plan and the review criteria are slightly different for a hill country road site plan. For conditional use permit you are allowed to go above and beyond the ordinance requirement to impose special conditions which you think might make it acceptable. In the case of a hill country site plan what you're looking at is does it meet the ordinance requirements related to the hill country roadways. In this case there are waivers and variances. You do certainly have discretion over those issues but your basic charge is to determine whether you feel it meets the intent of the hill country roadway ordinance. The staff recommendation is to uphold the oppose decision, and also to approved the managed growth agreement for ten years. I'd be glad to answer any questions at this time or following the public hearing. is it in the recharge or contributing zone?

It's in the recharge zone. without they redevelopment ordinance or exception, in order to redevelop this property, the impervious cover would be limited to 15%; is that correct?

That's correct, mayor. and I believe you mentioned in your presentation that since they are above 15% but at or below existing impervious cover, which is the intent of the redevelopment exception, they are repaying mitigation to bring the composite impervious cover down to 15%, is that correct?

To 20%, yes.

Mayor Jefferingwell: 20?

20%, Yes. The redevelopment ordinance requires bringing the impervious cover to 20%.

You are correct, yes, even though it's in the recharge zone. So that's about \$410,000.

That's correct. and at the same time they're improving the water quality on-site somewhat dramatically and you mentioned they were actually sos level water quality.

Yes, retention irrigation system. yes, and at the same time reducing traffic trips?

Yes. and i believe, I'm just going from memory because -- even though I did work on this for a year and a half, it's been over a year since we -- since we did work on it. I believe there is a reference in the exception to traffic trips, that if you increase more than 2,000 trips per day, then that requires special approval from council.

Yes. Council has to approve the redevelopment exception if the project includes more than 25 residential units or if it generates more than 2,000 additional trips per day beyond the existing uses. and in this case it's actually less trips.

It is actually less trips. so that does not come into play. And I just -- I want to say, this -- this project seems to meet the intent of the redevelopment exception, which was to provide water quality and purchase open space -- provide water quality above and beyond what exists for properties that were developed prior to enactment of the sos ordinance that are in the barton springs zone. But I'll reserve the rest of my comments on that until later. Are there any other questions from staff? Council member morrison.

Morrison: thank you. zapalac, I wonder if you could talk a little bit about the mga. We have the -- it's not actually part of the process that zap is supposed to make a recommendation -- is actually just supposed to come to council, but, in fact, they did sort of weigh in and said they thought five years, and staff is recommending that, I guess, the applicant re -- or the developer requested ten years and staff is recommending that, and of course it's always a balance between trying to be pragmatic but be careful because they're able to lock in the standards that are in the code today for ten or five years. So I wonder if you could talk a little bit about staff's recommendation of ten years, especially relative to five years.

Well, it is a fairly sizable project. It does involve mixed uses. It is somewhat innovative. It is the first -- it's the first project of this mixed -- mixed use project of this intensity that we've seen along the hill country roadway. The applicant anticipates that it's going to take some time to build out the projects, especially in the current market in order to make it possible to occupy the office buildings or construct the office buildings to lease or sell all the condominium units and to find tenants to the retail and restaurant uses. They anticipate that it may take more than three years and staff felt that ten years was a reasonable time to ask. council member tovo.

Tv. you mentioned the heights of some of the existing buildings in the area but I didn't capture all of them. Would you mind review those for us?

Surely. The -- directly north of the site is a two-story bank building right now, which is about 35 feet tall, and there is also a small building at the intersection of walsh tarlton and loop 360, just south of the site, about 35 feet. The barton creek mall, which is east of walsh tarlton, is 46 1/2 feet at its highest point. The tearest pud located on the east side at loop 360 contains buildings as tall as 160 feet and then.
[One moment, please, for]

council member, we don't f application was still alive for the hearing. It was postponed a couple times by the applicant and the neighborhood, and -- but the commission did act on it by postponing it. So we feel that it met the criteria for being on the agenda before it expired, although the action to approve the plan did not occur until what would have been the expiration date. It was appended because it was under

consideration on their agenda.

Riley: I see. Then there were some other questions raised about the procedure of what happened at the zoning and platting. I remember there was some reconsideration of a vote. Could you elaborate on that because I expect we may be hearing about it.

Yes. The commission initially voted on it and the -- the vote was announced as 4-1 in favor, and then the commission said they were going to take a short break. There was some discussion among the commission members at that time, and then the chair announced that the vote was actually 3-2, which was less than a quorum vote, so it would have been not a valid vote. The commission then took their break and came back a few minutes later and voted to rescind the previous action, reopen the -- did not reopen the hearing but reopened the discussion, had a couple of questions of the developer, I believe, and then voted to approve the plan by a vote of 4-1, reaffirmed the original vote.

Riley: I see.

So there was a bit of confusion about what actually happened. The commission's rules do allow it to reconsider an action at the same meeting. Normally if the -- if an item is reconsidered after the meeting is adjourned, then two commission members have to request that it be put back on the agenda, the commission has to vote to reopen the item and repost it. It has to be renotified and then it comes back at a later date. But in this case it all occurred at the same meeting, and so they did not have to go through that process. They could simply vote to rescind their previous action and discuss it and take a final vote.

Riley: okay. And I understand city legal has reviewed this and is confident that the commission did act in compliance with its rules.

That is correct.

Riley: okay. Thanks. council member tovo. I have one follow-up question since we're talking about the vote and the process there. It's my understanding that when the commission came back and reconsidered the vote, that some of the original stakeholders had left. Is that your memory of it, that when they reconsidered -- when they voted to reconsider it, that some of the neighborhood stakeholders had left?

Yes, council member. In fact, I had left also after the first vote.

Tovo: okay. [Laughter]

I understand there may have been only been one neighborhood representative when that was here when the discussion was reopened.

Tovo: thank you. any more questions of staff before we go to the appeal hearing? just a quick one. council member spelman. how long was that second discussion after they came back from recess?

I'm not sure, council member, since I wasn't here, but I think it was maybe 10 or 15 minutes.

Spelman: okay. So there was substantial discussion that took place after they came back from recess? This is -- you weren't there.

It would be just be hearsay on my point. I think it was -- there were a couple of questions that were asked and then there was a motion that was made. It was not a lengthy discussion, but there was --

there was some discussion about it.

Spelman: thanks. and it's not dissimilar to what we did just a minute ago, which was reconsider an item that we had considered previously several hours ago. And also in accordance with robert rules of order as well as with the zoning and platting commission, modifications to the roberts rules. Council member morrison? just a parliamentary question. When you reconsider does that open the public testimony again, the public hearing, or does that remain closed?

Brent lloyd, assistant city attorney, and just to clarify, the rule that george mentioned was actually just the basic rule to reconsider under roberts rules, and no, it did not reopen the public hearing, but of course as you-all know, the body can always ask questions of staff or the applicant, and I think i was not there either, but from my review, I believe that's what occurred. and while i have you here, I understand also that zap has some specifics in their bylaws about rescinding or amending, but -- and having it depend on new information, but that wouldn't be the same with reconsideration; is that correct?

That's correct. The rule -- the rule and 400, and it's revision or amendment of previous action by the commission. And I won't read the full text of the rule, but in essence this is the rule that is used when the commission wants to take up an item at a subsequent meeting, and there definitely -- there is a standard for new evidence judged to be material or to correct a decision. This would simply operate under the basic roberts rule rools of order reconsideration provision within the same meeting. and it doesn't have a higher ball like these, like rescinding?

No.

Morrison: okay. Thank you. the only requirement for reconsideration at the same meeting is that the motion to reconsider be made by someone who voted in favor of it the first time?

That is correct. and that was the case here?

That's correct, it was, i believe, commissioner baldrige.

Mayor leffingwell: okay. All right. We'll go to our public hearing for the appeal and we'll hear first from the appealing party. Do we have -- are you the spokesman for the appealing party? Then you'll ha minutes.

Mayor, council members, my name is lynn harrison-david. I'm the chair of the south bee caves south neighborhood association. I was here since last meeting. I wanted to say very briefly we did what you asked and we met with the developers. We've had two meetings with them. There were no proposals made by the developers. We did invite the developers to -- on the meeting last week, four people, we suggested as possibles. Two were unavailable and so they have not prepresented to us. But back to what we're -- represented to us. Back to what we're here for at the moment. What we're asking for is the original decision that was made, the original vote stands, and if it doesn't we're asking in this case is referred back to zoning and platting to make the standards and we would require and expect. What happened to zoning and platting is bee cave woods -- a decision was made contrary to the bylaws and rules and regulations, and as a result we were not provided due process. I also wish to note, the bylaws, rules and regulations both supersede roberts rules of order. And on may 17 a vote was taken, and the waivers -- the neighborhood was opposing were denied. There was then a reconsideration of the first motion. The reconsideration of a previous motion requires new information, and there was no new information presented before the commission vote to do reconsider the case. Additionally, the commissioner requesting the reconsideration indicated that it was to clarify the previous vote, and when the full commission agreed to reconsider on that basis, instead of just clarifying the previous note, the commission allowed further discussion and another vote on a different motion. After the commission voted to reconsider the case, the applicant was allowed to represent their case. However, the opposition, the neighborhood association, had already left the chambers, and therefore was not able to

respond to the applicant's new presentation or address the issues raised by the commission, in effect denying the opposition's right to participate in the second consideration of the case. The second motion, to grant the waivers, with some restrictions, amounted to rescinding or amending the first vote by the commission, and therefore require an affirmative vote of two-thirds of the commission, which is five affirmative votes. However, the vote only had four affirmative votes, and therefore does not meet the requirements of the commission's bylaws. And the regulations are very clear in what they state, that it should be acted on as one motion. There were two different motions at that meeting. , And if it is important, i probably think that -- i know brent didn't relate exactly what it says in section 10 for -- but i think that may be important, because that is a critical issue as to why we feel we weren't heard. What I also wanted to say is on the overall subject of the site plan, I think this is very important. If that site plan went to zap, and at the time that they scheduled that it was a noncompliant site plan. Based on the open records that we have -- the questions on the city appropriateness of considering a site plan that was not ready and not in compliance in the time it was scheduled. City documents said that the site plan extended under 25-1-88, a one-time extension only, expired on december 27, 2011, prior to the may 17, 2011 zap hearing. City council -- city code, sorry, 25-5-148 requires an extension of a site plan to be fully compliant with all code provisions on the 180th day of the extension. Since the site plan relied on the granting of the waivers, it was not fully compliant at the date the site plan expired, and therefore should have not been processed by zap hearing. And also under city code 25-1-3, under [inaudible], that requirement that the land code are cumulative of other ordinances, rules or regulations or by private easements, covenants and restrictions, and that was the issue. That was what the delay was all about. Since the private restrictions -- since the private restrictive covenants were not presented as part of the site plan review earlier, it did not meet city standard for review, and on to the final part, because I want to just address the process that we're struggling with, is there was recorded with travis county a plat amendment was recorded on may 17, 2011. The plat -- the applicant's plat amendment was approved by travis county and did not meet the local government code requiring that allows for an amended plat. If the amended plat does not attempt to remove recorded covenants and restrictions, the applicant's amended plat did that. They removed such restrictions and therefore violates the local government code provisions and should not be accepted by city staff as appropriate. Now, the biggest single issue with this is that they had a dispute with their neighbor, the bank, and they wanted to move the lot line and they were in negotiations that just went on and on, and basically they missed the deadline. Now, if we miss a deadline we're done, but it seems to me that this is a moving target when it is a question of neighborhoods against city -- large developers, so we are uncomfortable with that and we would like you to take that into consideration, that all we're talking about at this point is the process. You see we have neighborhood representatives who would like to talk about the other issues, but as this is about the zap appeal, we are referring to those three items.

Mayor leffingwell: okay. Thank you. [Applause] there were several folks who signed up donating time to the speaker. However, since she is making a presentation on behalf of [inaudible] party in our rules can't donate any additional time in addition to the ten minutes. However, you are able to donate your time to someone else or you can speak on your own. So I'll call out those names. Macy holderness? Do you want to speak or donate your time to another -- well, please advise the clerk who you would like to donate it to. Diane pengre? Please do the same, if you wouldn't mind, come up here to the clerk so she can put it on my computer and I can know who you're donating it to. Cynthia hagger. Same? Same? Richard metzger. Same, okay. So while the clerk is gathering this data I will go to the next speaker, who is earl holderness, and donating time to earl is frank drew. Is frank here? Frank is here. holedderness, you have up to six minutes.

Mayor and council members, my name is earl holderness. I'm vice chair of the south bee caves woods association. We all know the environmental reasons for restricting this development, the size of the development. I'm referring to sos and barton creek and our whole environmental area here. The size of the development should cause concern. We were talking about -- we're not talking about 15% impervious cover. Waivers requests are inappropriate for a project and should not be allowed as they will set a dangerous precedent for other projects that are certainly to come. Regarding the ordinance, 1 is preserve the scenic view. That view is from the top of a building, and what is it looking at? It's looking at nothing. A view is what you would call the 360 highway looking back over the city of austin. That's a

view. The increased landscaping or setback. There's no increase, just the same old 54% impervious cover. Reduce the building mass. It's going to be five to six times the size of what's there now. The density will drive excessive traffic into our community and schools. It's not beneficial to the environment or our neighborhood, and regarding the movie theater, it closed because of a lack of attendees and lack of traffic. That result -- that resulted in lack of traffic. Thank you. thank you. [Applause] next speaker is mark may. Mark may. And donating time to mark is melissa reed. Is melissa here? Carol drew? Carol is here. So mark, you have up to nine minutes. there will be nine minutes to the clock.

I'm mark may. The good news is I probably am not going to neat all that time. You know, what I wanted to focus on now is the traffic. Were you able to find the file?

[Inaudible]

I'm sorry, I left you [inaudible] okay. Anyway, so when I had first heard about this, you know, project, I didn't really have a strong feeling either way. I mean, I'm a big fan of, you know, dense things, urban, urban kind of things. My kids walk to a school, i ride my bike to work every day. We like the kind of downtown life. And so I didn't think that this, at first blush, sounded all that bad. So when I was at the neighborhood meeting a while back when we first saw this for the first time as a group and people voted for it, initial support, i thought, okay, well, that seems fine. Then we got the tia and we read it and I started thinking, wait, this just doesn't seem to make sense. And I work in high tech so i can kind of go through a pile of data and say, well, does this make sense or not? And then I became more and more involved because as i read more I thought, wait, this is just not making sense. So it started driving my crazy that this tia was used as a basis to make choices, and if we're not making choices based on good data, we're not going to make good choices. So what I'd like to do is explain to you some of the things that I think are wrong with the tia and show you why it's flawed, and hopefully you will -- you will consider whether we need to continue on the same path of these choices that was based on flawed data. So the first graph here on the screen, I'd like just to show you -- you might not know the details of the development. It's actually located just to the west of barton creek that I sort of hand-drew in the site there. Things to note is that the intersection of walsh tarlton and mopac and loop 1, all that stuff is going to be rated f in 2014. Now, just north of the development there's a couple eanes school campuses less, you know, than a mile up the road, and inside the box there there's a bunch of, you know, places to shop, there's actually randall's, the post office, cvs, a bunch of places to eat, coffee, all that. So there's a lot really close by the -- you know, the development, and I'll just note just to the northeast of barton creek mall there's a large condo complex, apartments or something. So I think near the mall there's -- of course there's a mall which is actually retail, but there's, you know, lots of homes and so you'd expect the traffic patterns that are there now to be similar to what the development would have. So if we go to the next page. Okay. So what I'm -- what I'm showing here, the map on the left shows some of the -- some of the traffic, what fraction of the trips from development travel on which roads. Now, I didn't make any of these numbers up, and, in fact, these charts are directly copied from the tia, okay? So this is not my data. This is the data that everyone has used up to this point to consider what we should be doing. And so if you look at the traffic that goes north on walsh tarlton from thousand oaks, in the graph that was -- or in the chart from the tia it's 1% of the traffic from this development goes north on walsh tarlton from thousand oaks. So that means that if any of these people's kids want to go to school, either of the eanes schools that are on road, want to go to randall's, cvs, only 1% of them is going to go there according to the tia. So if you take the numbers that I highlighted in yellow, again from the tia, and you just punch out the numbers on that, that means everyone that lives in a condo gets to go down walsh tarlton once every 18 1/2 days. Does that seem reasonable? I don't think so. So can we go to the next page? So what is -- what is the basis of this? I -- I am not trying to debate the number of trips generated by the site. That comes from the [inaudible] book, and as we might hear this book is very frightening, full of math that you guys should definitely not question, but -- so I'm not arguing about the number of trips. I'm arguing, where are the trips going? And since there is -- there was nothing active at the site when the tia was done, it's really hard to say, and there's a lot of judgment. So what would you think would happen? Well, if it was me I'd say, well, I don't know where the traffic is going to go, but why don't I measure the traffic and what the traffic is measured to be close by is probably similar to what it's going to be, right? So I chose two points here the first one is at the exit of the bank driveway, and 38 cars turn

north and ten go south. That's exactly backwards, way off. If you go down to the mall driveway and you think of the mall -- and I thought, oh, I'm going to lose this argument at the mall because no one in the mall is going to turn north. There's nowhere to go. Everyone is going to go to capital of texas. Well, turns out the mall driveway, 96 cars go north and 28 go south. So where -- where is this coming from? Well, I did some phone calls on the web and talked to some licensed pe respect, and although we couldn't fund them to do a counter study, they couldn't actually figure it out either. And I think whatever theory they used to decide where the traffic goes, it's a basic principle that if you have a theory to predict the future, it ought to be consistent with your present data, and this isn't. This isn't. Makes no sense. Okay. Next page. So what to do. We had tried when we first met with the developers, i don't know, six or so months ago, to try to work this out, and we had suggested they close the bank driveway, because if you look at their tia, it's only 5% of the traffic leaves a development going north, so it would seem like with neighborhood support and all the money on the table, that they'd be glad to modify the traffic route of only 5% of the people to give us something. Know, but they wouldn't do that. -- Nope, but they wouldn't do that. So I think -- and did they -- did they come back with a counter-offer like, well, could we maybe make it one way so you don't have traffic in the morning when the kids are going to school? No, they didn't do anything. Nothing. So what can we do? The only option that I see is you have to deny the waivers. Now, the upside of that for you guys is it's only a modest size in the reduction of the development, so we can still have the leffingwell ordinance go, they still get 53% impervious cover, so surely they can make money on that. There is a storage unit that is going to build just to the west of them that's at 15% impervious cover, , and they seem to be doing fine, so surely a developer with 53% can make this happen. There will be a small -- a small reduction in traffic, and I think if they also don't get the height, it will fit in better with, you know, the neighborhood, but we have tried to compromise. We're the only ones that have put a proposal on the table, which is close the bank driveway. There has not been a counter-proposal. So we've done all we can. It's up to you guys to do your job and do the right thing and deny these waivers. Thank you. [Applause] we have six more minutes if you need them. Some of these folks donated their time to you. Next speaker is rielle. After elisa will be mary lobins. You have three minutes.

Thank you for listening to us tonight. My name is elisa rielle and I'm speaking as a concerned resident of the beecareful beecave woods neighborhood. I have an autistic son that walks and rides his bike down walsh tarlton to get to school and other activities. I have worked with the american disabilities task force for the school district and am also speaking on behalf of the down syndrome association presidency. Lynn shepherd could not make it, she's out of the country. Beecave woods and the surrounding country is very unique in that we have hundreds of families that walk to school, children, teachers live in the area, they walk, they ride their bikes, they walk their dogs, so there's a lot of foot traffic on walsh tarlton. Walsh tarlton is already extremely busy before any development goes in, but many people don't realize that the eanes school district is also putting in a new adult transition services building directly across the street from the westwood shopping center on walsh tarlton. This building will be used for students that have developmental, physical or behavioral issues that require them to take the bus or to walk to their jobs, therapy sessions or life skills classes. This building will be located directly at the bottom of walsh tarlton, and there's a big hill, so that's where they have to take the crosswalk to catch the bus. There is no dedicated crosswalk light to make drivers aware that people will be crossing there. We already have more than 400 middle school students per day crossing at this location with a teacher at a crossing guard in the afternoon. It is a dangerous crossing as the cars come down the hill at high speeds. With the addition to 30 to 100 more people occupying the adult transition services building, this will cause a significant danger to citizens that are not as aware of their surroundings as most people are. They will be crossing in the morning to get to jobs and coming back in the afternoon. They use wheelchairs. Some of them are blind and some of th cognitive awareness issues. I'm asking the council to reject any additional waivers that will increase traffic on walsh tarlton. These citizens and taxpayers deserve a safe road to navigate as they learn life skills and to become productive members of austin. Thank you. thank you. [Applause] mary robbins? Mary? Is she here? Okay. Clay defoe.

Good evening, ladies and gentlemen. It's strange saying good evening. Just something very briefly procedurally. I do not appreciate how this council does not take items consecutively, like they're numbered. I've been here now 11 hours. I hope you treat the other citizens better than you treat me.

Now to the item. Let's read it because it's very specific language. Let's look very simply now, mayor, rest of council, what we're looking at. 48, conduct a public hearing to consider appeals by crvi loop 360 lp, david armbrust, armbrust & brown, pllc, and south bee-cave woods neighborhood association, lynn harrison-david chair of the land use commission's decision to approve a hill country roadway site plan application with waivers for tarlton 360 townhomes. Now, I do not live right there in that area, but i have frequented it many times, have worked off walsh tarlton and everything I've heard, this seems like a terrible plan. Let's listen to the residents that live there. How about that for a change? These people actually vote for you. Isn't that a novel idea? We do not need to be protecting law firms. I'm afraid that this city council has a love affair with dapper-looking attorneys. I see so many attorneys come up here, and I see their mouth move, 20 minutes. I hear you guys ask them questions, sometimes good questions, granted. A lot of times meaningless questions, and I'm getting annoyed. I'm tired of giving passage to these attorneys. Those of you who don't know they're in the public, david armbrust, if I'm saying this right -- armbrust & brown, pllc, this is the same law firm that this city council gave a pass on on formula one. Richard suttler at that firm represents cota, circuit of the americas. I come here, I'm not going to forget these things. Same law firm, and you guys are giving them a pass while you're ignoring these nice people that have come and sat here and waited for hours just to address you for a few minutes, yet you love talking with the attorneys for hours. This is a terrible idea. Let's end this project. I think it's the responsible thing to do, mayor. Let's forget it altogether. Let's vote no. Let's say good-bye to tarlton 360. If they want to come again and apply for a new permit you should consider it, like you would any other business, but this is obviously not in the interest of austin. So I would appreciate it if you-all stood up and protected our rights and voted no. Thank you. [Applause] and we'll now have a presentation by the respondent. Respondent to the appeal, who will have up to ten minutes.

Mayor, council, my name is david armbrust and by no means am I a dapper attorney. [Laughter] and I regret that we don't have the support of the neighborhood tonight. These are my neighbors, actually. I live in that area and we've tried very hard and I'm very sad that we don't have their support. I want to give you a little bit of history. In 1984 there was a zoning site plan approved for this property that had an indefinite life that involved 300,000 square feet of commercial space. Cypress bought the property with that in hand but that's not what they wanted to build. They wanted to build a mixed use project, so in january of 2009, two and a half years ago, we approached the neighborhood group and presented a concept for a mixed use property -- mixed use project. Some 15 months later, after -- after eight meetings with the neighborhood association, after numerous adjustments to the site plan, may of 2010 this same neighborhood group voted to support the project. I was physically there. There were about 50 people in the room. There was a vote taken. It was approved. And the significance of that is that we had worked very hard to make adjustments to respond to the neighborhood, but the real significance was at that same time we were asking to have the property rezoned to add a residential component, and i looked my client in the eye and I said, steve clarke, if the council votes on this zoning your grandfathered site plan goes away. It's gone. It's history. And he said, well, welch the support of three neighborhood groups. They've just taken a vote, we saw them. So let's go on. So a year ago the council voted to add the residential component to the project. You certified it unanimously that it complied with the barton springs redevelopment ordinance, and so we went off back into the process to get the site plan approved. In november we were told that the neighborhood group leadership had changed and they no longer supported the project, and that was a big surprise given the history of our working with them. We asked them six times if we could meet with them, and all six times they said no. So we roll into zap. We make the presentation, and there was a lot of confusion, but I would like to clarify one thing about the zap meeting. When they did come back to have a reconsideration and clarify what the vote was, there was no public testimony. We were not allowed to present anything else, say anything else. However, during that discussion commissioner clark if he would be willing to remove one building from the site plan, which was the only building that was being constructed on natural slopes. All the others were on artificial slopes. clark responded yes, I would remove that building. We -- we do have the support of two other neighborhood groups that actual I would argue are much more affected. They're actually right adjacent to the project, and that's really where the height issue came into play. Under the hill country roadway ordinance, the height across the site is 40 feet, but the neighborhood that is adjacent to the project asked us to reduce the height by their property and push it away. So we made adjustments to the site plan to lower the height adjacent to their neighborhood and push it up by walsh

tarlton. I might add that the hill country roadway variances were approved unanimously by the environmental board. I might also add that the surrounding roadways have adequate capacity as part of -- we actually met with the neighborhood leadership twice since may of this year when you postponed this until now, and one of their requests was would we have our traffic engineer increase the projected traffic going north on walsh tarlton. mayor made reference to some -- may made reference to some original projection that I'm not sure I remember. Of 1%. Our traffic consultant projected 10%. She came back and said, it didn't matter, that walsh tarlton had plenty of capacity to handle that increased traffic. And along the way, by the way, sometime back they questioned the viability of the traffic impact analysis, and in order to address that issue cypress went to another traffic consulting firm and had them do a peer review -- tia, with a firm and that firm said the assumptions were correct and they didn't see any error in the assumptions. I guess overall, if you just kind of back up and look at this from a big-picture standpoint, this is a really -- I mean, this site is very appropriate for redevelopment. It's on a major highway. It's at the intersection of a major highway and an arterial. It's across the street from a regional mall. On the north side of it is a bank, an existing bank. On the west side is to be developed. We understand they've obtained their entitlements for a self-storage commercial unit, so it's completely surrounded by commercial uses, some of which are very intense. And I guess finally I'd like to remind the council that section 25-1-190 of the city code, in dealing with an appeal says that an appellant bears the burden of establishing that the decision being appealed is contrary to applicable law or regulations, and as I read that, I believe that you should give the zoning and platting commission decision deference. They didn't take this slightly. They had discussion, there was a lot of discussion. As I said, we've been in this discussion for two and a half years and we've had a lot of review, a lot of issues we've had to deal with and we come here tonight very proud of the project that we present, and one of the next speakers, john burnham, is going to talk about the project specifically and some of the benefits. I'm available for questions and thank you very much. Questions? Council member tovo.

Tovo: I have just a few. Can you remind me what the height -- let me back up. You had said that you adjusted the height of some portion of the site to respond to the neighbors' concerns and pushed that height forward. And as I understand it, that is your argument for needing it increased from 40 to 53 on that front part. Can you tell us what the height is in the area where you reduced it?

Perhaps john can address that specifically. We put townhomes next to it, two-story townhomes, and originally there were higher buildings along that property line, but john can respond to that.

Tovo: thanks. And just one other question. You mentioned that in the -- before the -- before the first neighborhood association vote you had made some adjustments. Can you sum up for us what some of those were?

I'll let john address that also.

Tovo: all right. Thank you. next speaker is leslie pollack. Next speaker opposing -- these are all speakers opposing the appeal.

Thank you, mayor, council. My name is leslie pollack. I'm with HDR engineering and I am the traffic engineer of record for this project. I analyzed the trips for the proposed project and their impacts on the area network, and this site will generate 4,193 trips per day, and that's compared to a previous plan that was approved at 9,680 trips per day, and the movie theater that was previously occupied on the site would generate 5,620 trips per day, and that differs a little bit from what we've heard before, but based on my trip generation calculations were at 5600 trips per day. So the TIA, we initiated the TIA and we're going to study nine area intersections. We started off in the study and we got some feedback from the neighbors that they were concerned about three additional intersections on walsh tarlton. So we went and we recounted those additional intersections and added those intersections to the study, so now the TIA has 12 intersections rather than nine, and as a result of those additional intersections we did identify some additional improvements which will result in additional fiscal for the developer to post. But the results of the TIA showed that walsh tarlton has sufficient capacity to handle the site traffic. Walsh tarlton,

according to campo, is classified as a major arterial from 360 to tameron and that's just north of the site, and then a minor arterial from it. Ameron up to bee caves road. After we submitted the tia, as you heard, we had some feedback from the neighbors that they were concerned about the distribution of the traffic through the roadway network, so I went back and looked at what we had distributed before. We had assumed 5% of the total site traffic will head north of the site with only 1% going all the way through to bee caves, the rest distributed before bee caves road. So we went back and we visited that and -- revisited that and said, what if 10% greg guernsey goes all the way through to -- -- if 10% goes all the way through to bee caves road. So we did an analysis and presented it to the neighborhood since the last meeting and it shows that walsh tarlton can still handle the site traffic if it's 10%, there's plenty of traffic on walsh tarlton for that traffic. And, in fact, if we did change the distribution, less site traffic would be using 360 and that would in turn reduce the developer's fiscal contribution. Thank you. I'm available for questions. Questi questi ons? Council member spelman. thank you for coming up, ms. pollack. I appreciate actually having a traffic engineer available to answer questions since so much of this issue is about traffic.

Certainly. it seems to me that the assumption that only 1% of traffic out of this project would go all the way through on walsh tarlton past tam ron road to bee caves road. That seems like a very small number. What was the basis for that distribution?

It's based on existing traffic counts. We look at it overall, we don't look at a particular intersection but we look at the entire traffic, the traffic on mopac, the traffic on 360, the traffic on walsh tarlton and that's how we distributed the traffic. We do have 5% heading north of the site that would use additional roads in that area to get to their destination. right now, something that seems to back up your story is right now you've got a major shopping center which is producing traffic in at least somewhat the same way as the mixed use developer you're talking about here. Some of those guys go north, some of those guys go south. So you're telling me that out of the driveways on the east side of walsh tarlton coming out of the mall, 5% of the traffic is turning north and 95% of the traffic is turning south?

We didn't look at intersections in particular. It's a whole -- like based on total counts on walsh tarlton, total on 360, and we didn't directly compare mall driveways across the street.

You didn't put the -- put them down to see which way people were turning off the mall?

We have analysis of the mall driveways and we can see how they're turning but we didn't use that data specifically to distribute traffic.

Spelman: okay. But you did collect it?

Yes, yes. which way were they turning off the mall? muns kerr suggested more than half the traffic were turning right, going north, not learning left going south to 360.

Let me check. I'm trying to square what you've been saying with with what metzger was telling us a few minutes ago. They're diametrically opposed.

Out of the mall driveway on walsh tarlton, the majority of the traffic is turning north on to walsh tarlton and not south on to walsh tarlton. But that's not the basis for the distribution. We look at the big picture. We look at total traffic on 360, total traffic on mopac, and distribute traffic to get to their origins and destinations that way. why might it be -- why would you expect a difference between the number you just gave me, the majority turning north and not south, why would you expect that kind of distribution to apply to your mixed use development?

I think part of that distribution is based on the fact that if you're turning south from the mall driveway, you're making a left turn. If you're turning south from our site driveway you're making a right turn, and

it's inherently harder to make left turns on to walsh tarlton than it is to make right turns on to walsh tarlton. so people get faced with a choice to turn left or right, they're going to make the right.

They'll make the right. where are these people eventually going to go, the people in your mixed use development? What's their destination once they leave your development?

It depends, because it is mixed use. So the people that are living there likely will go downtown for work, come back to the development. But people that are working there, and they could be coming from the west or they could be coming from mopac to get to that office, and then there's retail there. So it's hard to pinpoint exactly where everyone is going, and that's why we look at the big-picture distribution. so you're doing something like -- I can't remember the word -- the words for it, but you're trying to figure out where people are coming from.

Right. based on where people live, where people work.

Right, and not comparing particular numbers. I'm sorry? [inaudible] density model? Never mind. Doesn't matter. It seems to me that one of the common sense arguments the neighborhood was making is if you've got a large number of people who are working -- who are living in a mixed use development, a lot of your residential trips are going to be having to go north on walsh tarlton because that's where the store is, that's where you've got the nearest retail outlets, and the alternative is to go down on 360, get on a very heavily traveled road to go around , and a choice between the on the one side and randall's on the other side. What's the basis for the belief that 95% of the and only 5% go to randall's?

I think the residential trips are not going to be making trips to the store at 00 in the morning, because we are looking -- or primarily. We are looking at the a.m. Peak per period rush hour peak period rush hour. We're looking at those two worst scenarios. We're not considering every hour of the day.

Spelman: okay. So I go to the grocery store 00 in the evening, it's peak and doesn't count because it's not having a material effect on the biggest traffic problem of walsh tarlton.

Right.

Spelman: okay. What's the background traffic in walsh tarlton right now, in the absence of your development. Do you have a sense for how much traffic is north of the zone?

Yes. Walsh tarlton -- I'm looking immediately north of 360, currently there's around 11,300 trips per day. And as I'm looking north of tameron, it's about 11,900 trips per day. that's in both directions, both north and southbound.

Yes,.

Do we have a sense for the capacity of walsh tarlton?

Yes, walsh tarlton because it has varying cross sections, the capacity changes, but the capacity in the four lane divided arterial section, which is in front of the site, the city of austin criteria manual says that arterial carries between 9,000 and 35,000 people per day. that's a pretty big range.

Huge range, it is. But we're well -- we're not up in the 35,000 range, and it varies as you go up. now, that's the section between 360 and tameron is four lane divided, and tam ron north of beecave road are we talking undivided?

Immediately north it goes to two-lane divided with bike lanes and when you get closer back to bee

caves road it goes back to four lane divided. and do we have a sense of two-lane divided with a bike lane and whether or not 11,500 trips is too many for a road of that size?

In the transportation criteria manual, I found two-lane divided with bike lanes, it was considered a major arterial. I couldn't find a two-lane divided with bike lane classified as a minor arterial, but that has a range of 2,500 to 17,750. [One moment, please, for]

if I look north of tom 130900 people per day.

Spelman: You're just add agriculture couple hundred vehicle trips a day with combination of your development and background increases over the next three or four years.

Right, correct.

Spelman: Suppose you're wrong and a lot more of those people, they just love randall's, they have all those little cars and look at them up there and they can't stand h.e.b. I don't know what they're thinking. But never mind. Say it's 30%. Is that going to materially affect the capacity of walsh tarleton to be able to handle the trips?

I can't say with certainty, but I believe the traffic going on walsh tarleton could substantially increase and walsh tarleton still has the capacity to handle the demand. I can't say with certainty because I didn't go past the 10%.

Spelman: But it was more than 1500 trips per day going north on walsh tarleton is about what you're expecting?

1500 Trips per day? No. 10 Percent analysis would have about 400 site trips heading all the way to bee cave.

Most of the increase is due to increasing traffic due to background conditions.

Absolutely.

Spelman: So if your development were carrying 10%, -- not 10%, but 30% on walsh tarleton, instead of 400 it would be 1200.

Approximately.

Spelman: Which is about 10% of the current number of trips on walsh tarleton, you're actually adding only about 10% to current background traffic.

That's correct.

Spelman: That's what i needed to know. Thank you very much.

Next speaker is john burnham. Donating tim is (indiscernible), tim clarke. So you have up to nine minutes.

I guess first I'll talk about councilmember tovo's questions you had earlier. I guess the first change we had to the plan was to go from a 300,000 square feet office and development to a mixed use plan and that was previously referenced, the old plan generated approximately 980 trips a day, whereas we're 4,193. That was the first change. Then we came in with a mixed use plan in february of 2009. It was

there were some things about the plan that the neighborhood didn't like. It was closest to our neighbors, the hill country estates on the western side. And so due to some objections from them, we went ahead and moved that density or that height away from the western side and brought it up on to walsh tarleton instead. And so the maximum height of the townhomes on the western side of the property today is 25 feet. And then we go up to a maximum height of 53 feet on the walsh tarleton side. We also deleted a parking structure on walsh tarleton and faced that right-of-way. It was not a particularly attractive structured parking facility. Instead of doing that we've tucked all of the parking underneath our buildings, which we felt was -- it's certainly a cost increase and we thought it was a dramatic concession off of the previous plan. Those are a few of the things we've worked on with the neighborhood. To backtrack and give you a brief summary of the project. I know you've heard a lot about it already in terms of staff and the benefits of the project. It's the first project to move this far along under the barton springs redevelopment ordinance. Our mixed use plan is a great example of environmental stewardship responsibility and good planning. It's 75,000 square feet of office, 30,000 feet of retail, 86 townhomes and 40 condominiums. The 86 town home number is net of the concession we made at zap when we deleted three town homes at zap to take them off of the only natural slope where we were building on. It's a less intense use than what was previously approved to the site. More compatible with our surrounding neighbors. I believe that this is the best possible project for kind of all of the following reasons. We're going to remove the existing building that draws homeless juvenile delinquents and others. One of the -- our neighbors who I think is the most effective in hill country estates mentioned to me that he hears the skateboarders all the time. He hears the people trying to break into the theater. He hears the homeless and he sees them lighting fires in the wintertime. We have security out there. We spent six thousand dollars a month on security to try to rid that site of that element. But unfortunately without an active, vibrant development, it's simply -- it's practically impossible to keep them out. We're going to increase the tax base. We provide parkland dedication expressly because of the residential component. If we went all commercial in retail we would have no parkland dedication fees that we had to pay. We're going to pay \$147,000 to the city of austin for parkland dedication. We're going to achieve significantly better environmental protection than what is explicitly required under the barton springs redevelopment ordinance. We're taking average pollutant removal from 57 percent through our -- the existing sediment filtration pond, sand filtration pond up to 90.5%. When we upgrade that pond and create the water quality pond with reirrigation. We'll have an integrated pest management plan. We'll preserve open space. We actually increase the quote unquote natural area. It's the landscape that is planted to what the hill country roadway ordinance has dedicated as what would be natural for the site if it had never been touched. We increase that from 30% based on existing conditions to 40% after redevelopment. We will be part of a grow green native landscaping program. We'll be part of the austin energy green building program. We're going to decommission the old lift station that sits on our site that was built 25 years ago. And replace it with a state-of-the-art lift station with enhanced safety features. We are going to provide public open space which we mentioned before, which was actually mentioned as well by some of the neighbors. There's a viewing deck on top of the parking structure for the office that overlooks barton creek. I think you obviously heard a lot about traffic from some of the neighbors. And I just urge you to keep in mind the big picture. And I think you were kind of getting there with some of the previous questions, but the old theater by our traffic impact analysis, our traffic engineer's analysis, would have generated 5,620 trips a day. We're 4,193. The old approved commercial plan was 90680 trips. When we first started talking about this this was an easy sell. You look at those two things in comparison to each other and you're talking about cutting traffic by almost two and a half times. And so everybody was on board. And then things changed. Another noteworthy item is that the joint access easement that the neighbors asked us to delete between ourselves and chase bank, first it's been there for 20 years, actually 25 years. Second thing is it will actually alleviate some of the congestion on walsh tarleton specifically at walsh tarleton and 360 where traffic can back up at that light. People are going to cut through the property and it's not ideal for our development, but the fact is they will cut through our property to get on to 360, effectively alleviating some of the congestion. Final point I want to make is that in order just to start this project, start the horizontal development phase of it where we're moving dirt, we are going to spend a million dollars. We're going to basically pay a million dollars in fees in fiscal to the city of austin. Inclusive in that is the mitigation fee for \$410,000, the parkland dedication fee that I mentioned of \$147,000. Fiscal of \$405,000, traffic impact fees of \$71,000. I'm open to answer any

questions you might have. That was sort of basic benefits of the project.

Mayor Leffingwell: Councilmember tovo.

Tovo: burnham, thank you for answering the questions. I have just a couple of clarifications. You said that -- let's see. A few times we've heard mention of the townhomes removed on the eastern side of the site in response to commissioner teeman's request. And I've now heard that there were two buildings removed and all of those townhomes, but it sounded like from your testimony that one of those buildings representing three townhomes had been removed. So I want to get clarification as we look at this draig. Is it all five of these or just three?

It's three. It should be labeled as building 24. Is it labeled on there? That was an error in the backup material that went to all of you. There was an error there. It did not show the deletion of building 24, which was the three townhomes on the northwest portion of the site. It was onlt building that affected the natural slope, a non-man-made slope.

So the other two that are aimmediately adjacent are on a man-made slope. So threet that you've removed are the only ones on the natural slope?

Yes.

Tovo: And then if you could go over with me again quickly the height of the townhomes, I know you said it was -- you had said the height ranges from 25 feet to 53 feet on the walsh tarleton side, but across the span of the town home area what are the heights there?

The townhomes range in height from 25 to 30 feet maximum. And actually I must have misspoke when I was referring to a range of 25 feet all the way up to 53 feet, that's from the western side where it is all townhomes. That's where 25 feet is. And then going towards walsh tarleton where those three kind of higher density buildings if you will, the two condo buildings and the one office building, they have a maximum height of 53 feet.

Tovo: Thank you. And I may have misparaphrased you. Now I've got it. Thanks for clarifying that. I think that's it right now. Thanks.

Mayor Leffingwell: Councilmember spelman.

Spelman: burnham, why do you need 10 years to build this thing out?

It's because I think you know a commercial site plan requires you to pull all your building permits within the life of the site plan. And in this case we've got a significant residential component. Most of those are broken up into multiple buildings. They range sort of from a duplex to sort of an eight-plex. In order to give enough time to actually build those, market and sell those and have those be absorb understand a rational manner, we need -- we are requesting 10 it years and staff felt it was given the scope of the project that 10 years was justifiable to build the entire project.

Spelman: If this were purely a residential project, let's pull the commercial aspects out of it, how long would you expect it to take just to build the residential stuff out?

So the 226 units, how long would that take?

How long would it take to absorb 226 units, the kind that you're talking about in the current market?

Depending on what market (indiscernible) that you talk to and what price point, it's a five-year deal.

So if it were just the residential five years is your best guess as to how long?

Yes.

Spelman: In the commercial you would be restricted to three years with the normal site plan regs. Is that three?

The full site plan. The whole site plan is a quote, unquote, commercial site plan.

Spelman: I'm just saying now let's -- I asked you a moment ago. Take out commercial stuff, how long would it take to sell the residential? Let's go the opposite way. Take out the residential and just look at the commercial. Is that a three-year prospect or a longer term than that?

I don't know. The market is tightening up now, so it's certainly better than it was. I would say it's a three to five-year process as well.

Spelman: Three to five years. And you're asking for 10 to give yourself an extra margin of error.

As we've seen today the market is down 500 points.

Spelman: Down 500 today?

Down 500 today. There's a lot of financial uncertainty. It is very difficult for anyone to get a mortgage today, even a conventional mortgage. You know, it's 20% down no matter what. It is a boat load of paperwork. I know it all too well unfortunately. All of those play into even our local real estate environment. So that's the reason for out of 10 years.

Spelman: Okay. Too bad you didn't come here three years ago and ask for a certain amount of time, you probably would have only need 3d years to build the whole thing out, or so you would have thought.

If you delivered them all in 2007, yes, absolutely. If that had lagged until 2008, the latter part of 2008, you would have been in a lot of trouble.

Spelman: I'm rather an expert on the subject and i understand exactly what would have happened. Thank you, sir.

Morrison: Could you talk about the process for the saving of the commercial space that's part of this project?

Sure.

Morrison: And how that plays into the timing, especially with regard to the five versus 10 years.

There's the duration of planning and permitting, of course. And we have not fully planned that office project yet for obvious reasons. I'm not sure that we had anything that we could build from. So if you work in a commercial project like that, it's usually a six-month planning period and you go in for preview, which usually is a three to four month review period on top of that. So that's kind of -- maybe you can get a building permit in a year. That's kind of been historically what it is. And then you obviously have to have a user. If you go out there and build a speculative office building, but you run the risk of having to give that back to the bank, as many of our colleagues have had to do. So you need to fully market the

site and develop the area. And our plan because of that is really to start with the residential component of the project and the town home piece of the project specifically.

Mayor Leffingwell: Next speaker is jeff howard. You have three minutes.

Thank you, mayor, good evening, councilmembers. My name is jeff howard. I am here on behalf of chase bank. We have the office building. It's an office building, a two-story office building with the first floor is a branch bank lobby. There's also a drive-through. We've worked very closely with this applicant for over two years. There's been no dispute, there is no dispute, there hasn't been a dispute. We have not -- as a result of any dispute we have not delayed this. I think as the neighborhood had indicated. Yet we are probably the most impacted neighbor from a standpoint of we share drainage facilities. We share utilities. We share water quality facilities. We share access. This redevelopment has a major significant impact on my client's property. And I will tell you that the applicant has been extremely diligent, competent, professional and has been fantastic to work with. And we've worked through all of our redevelopment issues. And we were right with them in terms of the approval process. I will also say on behalf of the bank that joint use access easement provides us access to 360. Without having to get on walsh tarleton. This is very important access to us and frankly to our tenants because again it's not just the bank, it's our businesses that are tenants in our office building. And so please don't close that access. I'm also here, though, as -- earlier I mentioned some of the energy taskforces I've been on. I was actually on, mayor, if you recall, the barton springs zone redevelopment taskforce. And I spent 15 months in meetings, regular, many, many meetings with planners, engineers, city staff, environmentalists, neighborhood folks, and we worked long and hard on that redevelopment ordinance. And it was something I was very, very proud of because the business community, the environmental community, neighborhoods, all agreed on the universal benefits of addressing pollutant removal of old sites that are already developed in the zone and using the opportunity of redevelopment presents to address those impacts. It came to council, we spent another three months in public hearing process, environmental board, zap, planning commission, city council, and you all I think showed excellent judgment in passing that redevelopment ordinance. This is the first one. And as someone who spent 18 months volunteering to work hard on that, and I think my colleagues on that would like to see this development or redevelopment ordinance succeed, this meets all of the goals of that ordinance. Please pass it. It is tremendously excellent project and it merits your approval.

Mayor Leffingwell: Thank you. Jeff. Your time is up.

I'll be happy to answer any questions.

Mayor Leffingwell: Brent kadrell. You have three minutes. mayor, city council, thank you for your time tonight. My name is brent powdrell. I live just down the street from this site right off walsh tarleton as you're heading towards the randall's, towards bee cave roads, we live towards walsh tarleton. I'm here to give my support of the project. I think it's a good fit for the corner of two major roadways loop 360 and walsh tarleton. I think this mixed use project with the majority of it being residential units will be great, will be a good fit for the area. It will fit in nicely with the surrounding residential areas and I think compliment barton creek mall well. Replacing, as we've spoke, abandoned movie theater and I think this mixed use project is definitely better than a big, huge office project as we've seen been going up and down loop 360 at the palisades at bee caves and loop 360 and the davenport. Although I've never really noticed too much traffic on walsh tarleton, I think the traffic impact of this development will be less than the movie theater and the previous planned project. It seems like the traffic will also be more spread across -- spread across the day with less intense traffic at certain times because of this mixed use build. I'm not an expert on the dependable side of the environmental issues at all, but my understanding is the current development will be positive in terms of the increased natural areas and a positive impact on the water turnoff -- water runoff. The site needs to be redeveloped. I think the look and the feel of this project will be beneficial for the surrounding areas. I hope you support it, i support it and thank you for your time tonight.

Mayor Leffingwell: Thank you. dennis McDaniel. And have you three minutes also. mayor, councilmembers. I'M dennis McDaniel and i live at 906 crystal creek drive. My house is on barton creek and I have an interest in this zoning case. I want barton creek and our environment to not only be protected, but to be improved. I'm in the real estate business and as some of you know I focus on historic preservation in the community revitalization. In the proposed revitalization eyesore, in the environmental improvements to this property I find very compelling. When you pass the barton springs zone redevelopment exception in 2007, I thought that was a brilliant idea to not only protect our environment, but to improve it. I just thought that was a wonderful idea. And when you voted over a year ago to approve a denser version, I think y'all voted unanimously a denser version of this project as your first example of an environmental improvement project, your poster child if you will, I thought that was equally smart. As you know this property slopes towards barton creek and your ordinance in this proposal substantially improves the water quality flowing into barton creek. The best part of your ordinance is it encourages property owners to not only improve the environment, but they pay for the improvements. That's I think the brilliant part. At no cost to us taxpayers you're improving your environment. Now, regarding this case, i appreciate that the fenced off, empty movie theater is going to be revitalized. I understand the current zoning allows them much more intense use, but the owners decided to downzone to residential use and I think that's very commendable. And that's obviously why you passed that ordinance in 2007 and voted unanimously for this -- a denser version of this project over a year so I congratulate you in all that. My only request is -- my only suggestion is can you please speed up the process? 2007-2011, The water quality would have been improved four years ago. So please speed up the process. We would like the revitalization now. We need the jobs now and we would like the improvement to our environment sooner rather than later. So this case and others like it are vitally important to austin and our environment. We want to not only protect barton creek, but we want to improve it. Your ordinance and the unanimous votes that you make to make that possible without cost to the taxpayer I just find that brilliant. Thank you.

Mayor Leffingwell: Thank you. David steinwhittle. Evidently not here. Roy whaley. Has roy left? Those are all the speakers we have signed up to speak. It also contains the following speakers for not wishing to speak, donna townsend, mike hurley, michael hooper, steve kelly and stacy carol thornton, nancy grassoff, tracy norton, phyllis spurrier, michelle night. There's about 30 floor. The clerk can enter those names into the record. So now it's time for a three-minute rebuttal by the appellant.

> We've heard a few things that are very interesting, just to the discussion. First of all, how many of the people that stood up to speak, certainly there's a question of they're either part of the project or they have a financial interest in it. Also they've talked in general terms about the affic. It's existing traffic. There's nothing there at the moment. And hdr, who did the initial determination and then got (indiscernible) used the words existing traffic. So we do have some issues there. But also the costs are going to give 71,000 towards this. The 650 is that for taxpayers of something we don't want. We are uncomfortable. But the real thick is it's about a development that is is 53% impervious cover with waivers and they're asking for 10-year managed growth. It's outrageous. It's beyond everything. It should have been 15%. We're very fortunate that they had an old commercial site plan that has now expired. But the real thing is today we're here about the staff and the waivers. So we're having a hearing on it and really the issue is was that legitimate and did they have a valid site plan? So you can listen to everything else and all those supporters of the project would be very interested to hear. We certainly heard from one person from the neighborhood that supported it. They're certainly not where they are at our meetings or contacting me. This is not something that we want to keep the density down. One other issue is that the bank is very dependent upon it, so hence the support of it. So more than a thousand feet from the hill country roadway and we understand that they have plans to develop their property. And certainly, so what's that going to do? And that's additional traffic coming towards and they can go up to a higher level because they're not restricted. So when you say anything about the waivers or isn't in compliance, that's what we're giving away. That's what we're concerned about. [Applause]

Mayor Leffingwell: Thank you. So council, now we'll first consider item 48 alone which deals with the appeal. So a motion to deny the appeal would uphold the zoning and platting commission commission decision and the decision to up hold would overturn it. And there's also the option to modify to up hold

the appeal and modify it. Mayor pro tem.

Cole: I have a couple of questions of mr. zapalac. It won't take but a second. Originally there were three neighborhood groups involved in this. It would be hill country, stone ridge and this is south bee caves, is that correct?

Mayor pro tem, there were a number of associations that received notice of this project. There were approximately a dozen. Some of them are not just located in this area, however they cover a larger area.

Cole: You don't have to name them. I was trying to get a feel for how wide a net had been cast with respect to interest in this property and who was left remaining. And making sure that south bee caves is only neighborhood group that is currently opposing the applicant.

That is correct. They're the only ones that have filed an appeal.

Cole: Okay. And do you recall the increase in water quality under the barton creek redevelopment with this property?

Mayor Leffingwell: zapalac, I believe you stated previously it was water quality, non-degradation?

Yes, it would be non-degradation, upgrading from the current sand filter to a retention irrigation system and then they would also be acquiring the mitigation land to keep the overall impervious cover to 20%.

Cole: Okay. Because I remember back in 2006 walking in to then councilmember leffingwell's office and he had a big chart. And at the end of the day after me asking several questions, all I could say was so that's like cap and trade? And he said that will do for now. [Laughter]

Mayor Leffingwell: I still have the chart.

Cole: You still have the chart? [Laughter] I'm not going to even look at it again. But I do appreciate the tutorial. I am glad that the -- to have sat on this council when that ordinance was not only passed, but also contemplated. And now we finally have a project under it and we have some neighbors that have some serious concerns that i certainly can appreciate having mostly to do with traffic. But in this area one of our main issues have been the environmental issues, and it looks like we finally have gotten a tool that we can use to get the area developed. So with that I would like to make a motion to deny the appeal and up hold the zap ruling.

Mayor Leffingwell: Motion by mayor pro tem to deny. I will second. Is there any further discussion? Councilmember morrison.

Morrison: I have a couple of other questions for staff that came up in the conversation. And testimony. One is I know we talked about -- I'm sort of focusing on the process issues right now. We talked about the -- whether the site plan could actually be considered active. That was one of the concerns that it wasn't active. And you said that because it had been scheduled that that's considered active. What about -- what I heard was something a little bit similar, but a little bit different. And that is that it was a non-complying site plan when it was scheduled for the hearing, and it couldn't be extended because you can't extend a non-complying site plan. Can you talk a little bit about that logic?

Yes, commissioner. We did check the code about that --

Morrison: Councilmember.

I'm sorry, councilmember. We did check the code on that. The provision that was quoted to you about -- that the plan would expire if it were not a compliant plan on the expiration date applies to administrative site plans. There are different procedures that apply to commission approved site plans. Because of the very fact that the commission can postpone or can discuss an item, and so it only has to be scheduled on the expiration date. In order to remain in effect.

Morrison: Thanks. And so it's really the difference between a site plan that staff can approve versus site plan that's got to go through some process with a commission or council.

Right.

Morrison: And then one other question. armbrust said that we ought to be looking at suggesting that our decision needed to be based on whether or not the previous decision was contrary to applicable law. I don't know if you can lloyd might be able to comment.

I would defer to mr. lloyd.

Morrison: Okay.

David certainly quoted the code correctly. The appellant does bear the burden of proof, but our appeal system is not set up. Some appeals were set up to where the body that's hearing the appeal simply looked looks at whether the body that made the initial decision made a blatant error whether they acted beyond their authority or they simply defied the regulations in a very clear and obvious way. Our code doesn't have that sort of deferential standard built into it. And in fact, in another provision that is also relevant, it says that the body hearing an appeal exercises all the powers of the decision maker whose decision is being reviewed. So in a nutshell, while certainly for you to overturn zap's decision you would have to find that the appellant met a certain burden. You're not required to give the zoning and platting zoning and platting commission's decision any particular degree of deference. You sit in their shoes, you can exercise the same power that they can, and -- but that also means that when you're looking at the different approvals that are before you, you have to apply the same standards that they would. So I hope that offers some clarity.

Morrison: Thank you. With that, I do want to comment that I remember when the redevelopment ordinance was being put together. It was a large, big effort and I do know that not everybody in the city agreed that it was wholeheartedly that it was go to go forward. And I remember having some discussions. In fact, I was one of those that was raising some of the concerns with the sierra at that time, and I think the issue at that point was well, there was certainly some acknowledge -- acknowledged that there was some good intent in all. That there was concern that actually redevelopment was going to potentially spur more development and that all needed to be taken into account. But that's water under the bridge for me at this point. And I understand that we have the redevelopment ordinance and that's what's in front of us. And I do find the chronology of this whole long story rather compelling in terms of what all the changes that have gone through, and i appreciate councilmember spelman's questions, and sort of filling out the issue of traffic because i do -- it does appear that there is capacity on walsh tarleton. But I do take the procedural questions that have been raised very seriously and certainly understand the frustration of folks that are going through this process, but as david -- harris mentioned, that the issues about whether it was a legitimate process and whether it was a valid site plan, I'd fall to -- based on the explanations that we've been getting, that they were valid. In a it was a legitimate process. So with that I will support the motion.

Mayor Leffingwell: Councilmember tovo.

Tovo: I want to just say a couple of things too. I want to say first of all, I think it really was regrettable that at zoning and platting commission some of the stakeholders had left and that decision came up again, and I think that's unfortunate. But I think while we have an option of sending it back to zoning and platting commission, it seems to me that one of the parties could appeal and we would be back at the same decision point again. I'm not sure there's a lot to be gained from going back through that process. So with that I too will be supporting the motion because I think that it is -- this is a site that's appropriate for redevelopment. It does comply with the ordinance we have. The waivers, and you offered some good discussion about the waivers, but I do think the waivers primarily are about man-made slopes. So I think -- I think that about covers what I wanted to say. So thanks. And again, I was sorry to hear about the process and I can imagine that must have been very frustrating.

My first reaction when I heard David's discussion of all the frailties of what happened in Zap. This is a do-over as we used to call it as I was a kid I realized that we were a do-over because we can step into the shoes of the zoning and platting commission. We can hear this case on the merits. And my primary focus while we were discussing this case over the last hour or so has been on the merits, whether the traffic issues are substantial enough that we should say no to this development. Whether the waivers are substantially serious and we should say no to this development. And sitting in the shoes of the zoning and platting commission, regardless of whatever administrative frailties there may have been was properly decided.

Mayor Leffingwell: Councilmember Riley.

Riley: I want to thank the neighbors who have been here for much of the day today to voice their concerns to us. I think it's been very helpful taking a close look at this project and to get a better handle on exactly what the issues are with respect to Walsh and the traffic pressures there. For all the reasons that my colleagues have stated I will be supporting the motion to deny the appeal because I don't think it's been shown that a decision we're reviewing is contrary to law. I think that in fact the redevelopment ordinance is -- was really contemplating situations quite like this. It was -- this will actually result in significant and environmental benefits, was unanimously recommended by the environmental board. And the waivers frankly, from an environmental standpoint, the waivers in this case I have to say seem appropriate. We're talking about the construction -- when we talk about construction on slopes, the only building that was planned on a natural slope got removed at the zoning and platting commission. They don't apply in the same way to the artificial slopes. In any case, it has been helpful having the discussion and I know it's been a long difficult process for everyone involved. And I appreciate all the work that's gone into it.

Mayor Leffingwell: I'm going to comment also and be very brief because it's late. This project does exactly what was intended by the redevelopment ordinance. It improves water quality. It's an environmental plus. We're going from a sand quality on-site treatment facility, non-degradation. Input into both the recharge zone and Barton Creek. And not only that, they are not increasing the impervious cover. That was one of the requirements of the ordinance. And because of that they're putting \$410,000 plus into the mitigation fund, which will be used, dedicated to be used by open space in the Barton Springs zone. So it improves the environment from several perspectives. More open space, better water quality. The ordinance contemplated possibly using this vehicle to increase density. That's why there was a restriction that there be an increase of no more than 2,000 trips. In the redevelopment area. This proposal actually reduces trips. It doesn't increase them any. It reduces them. Let me go one step. Mayor pro tem referred to a chart that I have in my office. And it's a chart showing the allocation of space within the city's jurisdiction of the Barton Springs zone. And I remember the numbers pretty well because I looked at them for a year and a half. I drag them out every now and then. 31% of the land in Barton Springs zone is permanent open space, preserved open space. About 16%, about 16% of the land in the city's jurisdiction is subject to the S.O.S. ordinance. A very small portion. Almost half of the land within the city's jurisdiction is property that is already developed, and has very bad or no water quality control. That's where the problem is. The problem isn't that 16 percent, which we fully intend to protect as well. But if we're going to have any impact on water quality in the Barton Springs zone, we're going to have to address that old almost 50% that's already there, was put into place, almost 20 years

ago now. Now, I wasn't at the table when that happened, but what I'm told is that the framers ordinance considered this. When we were looking at what they were going to do, they said -- they discussed the fact that almost half the property was already developed. What are we going to do about that? And they ran some numbers, and I believe the number was they decide that had they would require retrofits on all of that property, it was almost half a million dollars. Public expense almost half a million dollars. Half a million dollars. So they sort of intuitively knew that that wasn't -- that was not something voters would approve. So when they put the ordinance forward, it did not include any provision for retrofit. It was only a forward looking ordinance. A good ordinance, good forward looking, but it left a big part of the puz oak hill out. So -- puzzle out. So that's what this redevelopment ordinance does. It addresses retrofit and, and as one of the speakers pointed out, not at taxpayer expense, but at developer expense. And I think that's the only way that we're going to get it done. So I'm glad to see this project, first one in three years, to finally get going. I think it's going to be a great asset. So that's my say. Anything else?

Mayor, could I request a clarification of the motion? Does it have the change to eliminate the one building?

Mayor Leffingwell: The motion is to -- zoning and platting commission, close the public hearing and approve the zoning and platting commission's recommendation. Correct? To deny the appeal. All in favor say aye.

Aye.

Mayor Leffingwell: Opposed say no. It passes on a vote of seven to zero. So now we'll go to related item, which is item number 12. We've already had the presentation on it, already heard public input. And I believe the major outstanding issue on item zapalac, is its issue of the life-span of the site plan.

For 10 years, the zoning and platting commission recommended five, staff recommended 10.

Mayor Leffingwell: So I'll entertain a motion on that issue. Councilmember tovo.

Tovo: Mayor, I would like to move that we -- i may need some help with the wording here -- approve an ordinance authorizing an execution of a managed growth agreement for five years. In other words, that we support the zoning and zoning and platting commission's recommendation of five years for a managed growth agreement.

Mayor Leffingwell: Motion by councilmember tovo to approve the zoning and platting commission recommendation. Councilmember spelman.

Spelman: Question for mr. zapalac. Suppose we say yes to a five-year period for the mga. After somewhere around year burnham or whoever picks up this project realizes we're not going to make it, we're not going to be able to build this whole thing out. What procedure is there for getting an extension in that period, or is there one?

They could request an extension to the mga or a new mga.

Professor: Okay. What would be the process for getting that extension?

It would come back to council and he would make the decision.

Spelman: Okay. So it would come directly to council? The land use commission first? How would that work?

The current ordinance, is comes directly to council. It just happened that it was -- the zoning and platting commission was aware of it when they were discussion the site plan, so they chose to make a recommendation on it, but it was not actually on their agenda.

Spelman: Do we have a standard period of time for managed growth agreements or is it open-ended?

10 Years is typical of what we have recommended and what's been granted for others. For example, there was one on block 51 in the downtown area a couple of months ago. And there were others recently that were 10 years also.

Spelman: Mayor, I would second the motion if I would be allowed to make a friendly amendment. That it be expended from five years to 10 years.

Mayor Leffingwell: Councilmember spelman seconds and makes a friendly amendment to change five years to 10 years.

Tovo: Sorry, I don't consider that a friendly amendment.

Spelman: It was worth a try. You never know. [Laughter]

Mayor Leffingwell: You can always make a proposal for an amendment.

Spelman: It needs a second first.

Mayor Leffingwell: Oh, you did? I thought you did second it. I said you did.

Spelman: I'm not seconding it. It was a conditional second.

Mayor Leffingwell: Second is either never made or withdrawn. So is there a second to this motion? Motion died for lack after second. Spell I'll offer a motion that we approve the mga with a term of 10 years.

Cole: Second.

Mayor Leffingwell: Motion by councilmember spelman to approve the staff recommendation, seconded by the mayor pro tem. Discussion? Councilmember morrison.

Morrison: I'm going to go ahead and support this motion. I think that we got some -- sort of some content behind why 10 years would make sense in terms of the residential coming first and then the commercial over perhaps a five-year period and then the commercial. And we did get some information on the mga's that we've approved over the past year. And we've had four at 10 years, and one at eight years. And one at five years. And that was an mga for our own austin energy control center. So it's not at all unusual. It's quite common for us to make them to 10 years.

Mayor Leffingwell: Further discussion? All in favor say aye. Opposed say no. It passes on a vote of seven to zero. Excuse me. Did you vote aye?

Tovo: I voted aye since mine failed and sort of pointless at this point to be against it. [Laughter]

Mayor Leffingwell: So council, we -- I've just been informed that one of our zoning items that was up for discussion, confirm guernsey, there's an agreement to postpone THIS UNTIL AUGUST 18th?

Item 45, case c-14-2011-0043, the neighbors that were here, four or five of them, begrudgingly agree to a postponement. The applicant upon hearing the mayor announce ajowrp. 30 thought the meeting was over, not familiar with our process. At that time ended the meeting and he thought that was the end of the meeting. And so he left and went back to work, was not able to come back easily from his job. The neighborhood agrees to a postponement, would ask that you ask for no further postponements beyond taking this to your next meeting on THE 18th. So they have left as far as I know. And will be back on the 18th.

Mayor Leffingwell: We understand the request, but the real request is to postpone until august 15th.

If the applicant were to request a second postponement, the neighborhood would not agree.

Mayor Leffingwell: Entertain a motion to postpone item 45 until august 15th. All in favor say aye opposed say no. It passes on a vote of seven to zero.

Mayor and council, i could offer another postponement if you would like, something else off the agenda very quickly.

Mayor Leffingwell: Go ahead.

Item number 49 we had to conduct a public hearing and consider an ordinance amending 25-1 and 25-2 of the city code to modify requirements of open space. There was discussion of an amendment to open space to the cpt and ask that it go to another committee that looked at green -- I think green roof design. And also we want a little bit more opportunity to discuss the ordinance and the staff wanted to bring that information back to you with postponement to your september 22nd agenda. So we would offer that to you.

Mayor Leffingwell: Is there a motion to postpone item 49 until SEPTEMBER 22nd? Councilmember spelman moves, mayor pro tem seconds, all in favor say aye? Opposed say no? It passes on a vote of seven to zero.

Mayor Leffingwell: Thank you, mayor and council.

Mayor Leffingwell: So with that, council, we will go back to taking items in order. Item 7. Two speakers signed up. Clay defoe against item 7. Has three minutes.

Good evening, again, ladies and gentlemen. Thank you, mayor for taking items consecutively now 30 in the evening. Almost been here 12 hours. I think that's a record for myself. Oh, man. All right. Let's look at the item. Let's start there. All concentrate together. I know it's late, we're all very tired and hungry. We want to go home and see our families and eat dinner. Number 7, authorize the negotiation and execution of amendment to the outside counsel contract with thompson knight llp for legal services relating to the redevelopment of the green water treatment plant property, in the amount of \$75,000, for a total contract amount of \$267,000. I don't want to have to be coming here every time you guys meet and tell you to stop paying lawyers! We know english and spanish. We can did he receiver meaning -- desiefer meaning. It doesn't take someone to be a brainiac to read a contract. Even in law school they teach you write simply. This is an epidemic of lawyers. What do lawyers do? Do lawyers feed the hungry? Do lawyers cloth the poor, !?? Do lawyers contribute to the education of our society? Don't give away money to these harpies. Like a singing serpent, this council is putting our citizens in grave fiscal danger. Unfetter these chains which you are poised to wrap around us. Would this contract secure our liberties, sir? Would this contract educate the populous? Will we be better off when we are \$267,000 poorer? martinez, do you have the right to take such action without even as much as it single written instruction from one of your constituents? [Laughter] I think not. And I would appreciate you, if you would let me finish my speech without interrupting me, mr. martinez. And I don't like scolding people

either. You guys need a change of perspective. And I'm willing to give it to you. I'm not joking anymore. This is serious stuff, mr. mayor. Powerful medicine. And I honestly believe you all cannot handle the naked and shocking truth. Vote no. You are wasting our time and money here. Thank you.

Mayor Leffingwell: Next speaker is ronnie reeferseed. Ronnie reeferseed is not in the chamber. Those are all the speakers we have in the chamber signed up to speak. I'll entertain a motion on item 7.

Spelman: Mayor, once again I'm looking at our rc at the recommendation of council action and finding that the recommendation for council action does not have any additional information in it other than what's in the agenda posting. And I wondered if I can -- much as I am in dismay over defoe's over the top rhetoric and I'm not sure what a rapacious harpy looks like and whether she has wings or not.

[Inaudible - no mic].

Spelman: Is that the source of that? That's good to know. I can see why he and his comrades could be concerned why we have no more backup than what's in the agenda posting and we can't justify where we need to pay \$75,000 to thompson knight. Can you approximate help us figure out why? [One moment, please, for change in captioners] the same project that the same fellow started. They're not done with it but they think \$75,000 with total contracts of 267 they think they will be finished and we'll have negotiated the master agreement.

Yes, sir, I think that's where we are.

Spelman: thank you. I'll move approval.

Council member spelman muffs prustled seconded by marchts. Approved by martinez. Passes 5-0 with council members tovo and mayor pro tem cole off the dais. Council member spelman pulled item 21, and we have of folks that want to speak. Council member, do you want to make opening comments? not particularly, other than i look forward to hearing the speakers, mayor. leslie sweet? Less me sweet is not in the chamber. Leslie sweet is signed up neutral and has three minutes.

Excuse me, my apologies. Good evening, mayor, council members. My name is leslie sweet. I'm the director of public in central texas and thank you for the opportunity to speak on this very important topic. Here in austin many of you know we have 26 stores that are in the austin area, and we're one of the largest private sector employees in austin with over 10,000 partners, and we serve over a million of very diverse customers each week. Our company is guide bid a strong cement to environmentally responsible business practices and we do share your concerns when it comes to single-use advance, and we stand ready to work close with you on a balanced and comprehensive solution that protects the environment, serves all of our customers and helps the city achieve goal of zero waste by 2040 and its goals in the climate protection plan. As you direct the ste manager to engage stakeholders and form late a is here to participate in that process and we hope you'll take advantage of the expertise we've learned and earned in the 106 years we've had the opportunity to do business in texas. So thank you for your deliberation on this matter. thank you, leslie.

Ronnie bocani? I know he's not here but i have to call his name. He had to catch a plane, signed up against. Donating time to him are connie yates. Is connie here? Santiago martinez? Would you like to speak? Passing. And dubois has signed up neutral donating time to someone else. Doug, do you want to speak? Are you here? Is your name -- are you signed up to speak?

[Inaudible]

mayor leffingwell: okay. Come on up. Unfortunately all the folks who donated time to him are not here so -- one of them is? Which one? Martinez is here. Okay. So you have six minutes. Give you six

minutes.

First of all I would like to say thank you to the city council and to the mayor for hearing me today. I am speaking on behalf of ronnie bolcan who is the president and ceo after texas retailers association.

Tell me your name again.

John kutski the tra ran a pilot program from 2008 to 2009. This included five retailers over an 18 month span and the reduced, reuse and recycle program which resulted in a 20% reduction of plastic bag distribution and also an 74% increase in bag and wrapping recycling. This was done without any public funding. This was done entirely by the retailers. The manufacturers and retailers together created a bags life web site. The exciting feature of this web site is that you can enter in the zip code. If we enter in the zip code for this location right here, 78701, I can find 49 locations within a ten mile radius to recycle plastic bags. We have now expanded this program with 12 retailers with over 2,000 locations across texas. We believe that the infrastructure is in place to further expand on this program, to recycle rather than bag will ban -- or ban the bag. We believe that plastic bag ban will not eliminate the plastic film produced but rather severely harm the infrastructure used to recycle it. We stand ready to work with any of the stakeholders to assist in any effort by the city of austin to adopt an ordinance that is beneficial to the environment, the producers, the consumers and the city of austin. Thank you. thank you. David bachelor? [Applause] david is signed up against, and you have three minutes. mayor, council members, appreciate your time tonight. It's been a long day for all of us. Just to get this right, i apologize, I will be reading my remarks that I wrote earlier today. My name is david bachelor. I am retired. Therefore I can be here, i guess. And I worked in the plastics industry for 30 years. I also commend all of you for your patience. I would be out of here a long time ago. I was involved in plastic bags for all 30 years. In my early years in my career I was involved in medical blood and iv bags made out of plastic. I ended my career with carry-out bags. The proposal in question to ban carry-out bags -- the proposal in question is to ban carry-out bags in austin. These bags are made of polyethylene and all polyethylene bags can be and are being recycled. 00 news here in austin, the city -- it was reported that the city could not recycle carry-out bags, thus the ban. Each store -- each grocery store that I shop at here in and randall's, offer a bin to recycle their bags. About once a month I gather up all my bags that I've had for the month and bring them back in, along with all my dry cleaning bags, all the -- every film I can get, and I recycle them. The store managers, because I have asked, have confirmed that they ship these off to be recycled. There was a report in california once that they just threw them in the trash. So I asked here, and they do the right thing here. This recycle product can be made to make more carry-out bags or they can also be used to make plastic wood, which you may recognize the name trechs, and that's a real good application for these because it's permanent and it's an excellent product. With the announcement of the state-of-the-art recycling facility that's going to be built here in austin, for austin, I find it really strange that they say that they cannot handle carry-out bags, if all these bags have been recycled for years. All the polyethylene used in the carry-out bags are produced -- the -- polyethylene is produced here in texas. They use ethylene to produce these polyethylene. All the ethylene is produced here in texas. I appreciate your time and consideration. thank you. And just to clarify -- [applause]

you made the comment about the news report that the city couldn't recycle these. I'm sure what the news media meant is we don't recycle them as a part of our single stream recycling system. It can't go in mixed with the paper, metal, glass, plastics of other kinds. But we realize that stores have recycled the products. Jimmy mitchell? Jimmy mitchell?

Not here. not here? Gus pena? 00 this morning. He's not here now. Ed garza? Ed garza? Signed up for, as were jimmy mitchell and gus pena were signed up for. Clay defoe signed up against.

Thank you, council, and if you would please excuse my passion, I care about where I live, austin, texas let's read the resolution, 21. Approve a resolution directing the city manager, ott ought to develop city ordinance producing a comprehensive phase out of single use plastic bags offered at retail check-outs within the city limits. You know, I was looking at this last night, and called up a friend, asked them what

they thought of it. They said, clay, what are you thinking? Why would you ever oppose such a great resolution? Doesn't that sound so great? We're going to get rid of all these useless plastic bags I know you hate, and we're going to be more green, we're going to foster more environmentally conscious city. Doesn't that sound great? And I said yes, I'm right with you on all those steps. I think individuals, though, are the best place to start. That's where people are going to start making changes. You can't force people to be green. Government is force, government is coercion. This is a principle that was expounded by general george mayor, who is absent. I hope you're familiar with some of the ideas he put across. Look at these people right here. They have traveled nearly 200 miles, 150 miles from houston, texas to be here. They have stood outside this chamber for nearly 12 hours waiting for it to be heard, and I would appreciate if we followed instead of this weird sort of sign-up who speaks and the mayor picks a better item he wants next, let's follow roberts rules of order. Let's start studying parliamentary procedure and how it should operate, person goes for, against. Person for, person against. I find it very problematic the way you're bringing up speakers. But if we look at these people, they're about to ride a bus back to houston. They've been here all day, and they're here for a reason. They work with super-bag. They work in the bagging industry in texas. I don't know if you're aware of super-bag. They're located in houston. They make bags, like this gentleman from the previous company that came up and spoke. This is our economy. This is our grassroots economy. If you phase this -- if you phase grocery bags out, not only are people going to be walking home from h.e.b. Holding all their groceries when they're told, oh, I'm sorry, we can't give you a plastic bag, you're going to put these people out of business. You're going to hurt a lot of families. They have a thousand people employed with their company, juan, one of their employees told me today earlier this afternoon. Think of all their family members. This is 5,000 people we're talk about. I'm sure you care about jobs. You guys stand here and say, oh, if we don't do the city project we're going to lose all these jobs. Well, I'm glad private industry has shown up today. We're facing the same thing. Government is force, government is coercion. Let's foster an environmental environment, but let's not put people out of business. This is absurd. Thank you.

Cole: thank you, clay. mark daniels. [Applause] mark daniels. Donating time to mark, who is against, is michael power. He's here. Bill ebeck here. Carlos martinez. So you have up to nine minutes.

Thank you, mayor. And members of city council, good evening. My name is mark daniels and I'm the vice president of sustainability and environmental policy for high election poly, an american manufacturer and reicher of plastic bags. On behalf of the industry and our company, the people of highlex super bags I'm here to talk about how plastic bag will effect our company and why we think recycling is a better solution. We oppose today's resolution for three reasons. First, a bag ban of any form will have a negative impact in jobs in texas. The plastic bag industry has over 15 bag manufacturers, employing 2600 people. The industry sports an additional 6200 people that service our market space, all in texas. A ban threatens their job and their livelihoods. Second, bans do not solve the greater issue of litter and, in fact, drives consumers to heavier forms of plastics, displacing rather than solving. Finally we believe there's a better solution: recycling. The product this ordinance proposes to ban is made in texas. It's a byproduct of clean, abundant natural gas. They are sanitary. They're toxic-free. They're have not, they're 100% recyclable and yes, 100% reusable. We do not believe it makes sense to put texas jobs at risk when a comprehensive solution to litter exists, one that does not target a specific product, impacts jobs or certainly limits consumer choice. Let me provide some background about our company and the plastic bag industry. Hilex company has over 150 associates across the nation and employed more than 10,000 americans. Three of hilex's facilities are located here in texas. There are also thousands of other jobs that it provides -- in the serviced in spofs of this important american-based business. A bag ban puts all of these jobs at risk. That's why it's my distinct pleasure to speak on behalf of the several associates and spos in super-bag and api and to be here and to be here in hopes of protecting their jobs and their livelihoods. I was going to introduce rhonda herring. She had to go up to our facility in dallas. Rhonda is in our human resource department. She has two sons, one at houston-tillotson in austin. Her family moved to texas from california because the job market there is so dismal. We spoke to john. John is in our quality assurance department. He has four daughters, ages 6 to 21. And he joined hilex in 2008. John personally witnessed the downward spiral in the automobile industry in michigan. John loves texas and he also loves working for hilex. Lastly I was going to

introduce ron paul. Ron is an assistant lead operator who is a single dad with two children. He's on his second tour with hilex after moving back to dallas from seattle. As an operator ron monitors and records all of the recycled content that we put into our extrusion process. These are people behind these bags. These are the people that choose to work for a company that has environmental stewardship at the forefront of our culture. These are the people that unfortunately had to take a bus home because they have 00 tomorrow morning for work. Austin proposed ban will not only impact the people of hilex super-bag people and api and their families, it will also come at a cost to consumers, limiting their choice and adding to grocery bills if a plastic bag ban is implemented. If the cost gets passed along, those who are hit the hardest are those who can least afford it. It will do little to reinforce the issue of litter. Replacing the grocery bag does little. Nine out of ten americans reuse their plastic grocery bags. You use them to pick up pet waste. You use them to line your bin liners for your trash. You carry your lunch in them. Banning plastic bags will force people to other forms of plastic for these everyday uses. This was the case in ireland when a plastic bag tax was implemented. Sure, plastic grocery bag usage declined, but the other side of the equation was the heavier gauge garbage bags increased by 400% for a net increase in plastic in their environment. Second, as evidenced by txdot's own litter study, plastic litter in texas is only a fraction of 1%. This is consistent with other litter surveys in the country that show by volume, not by weight, by volume, plastic bags are only a fraction of a percent of the total litter stream. If you go by weight it's hundreds of 1%. We're working with txdot on manufacturing plastic bags that they provide for litter for cars, a texas company making plastic bags to alleviate litter for the don't mess with texas campaign. No one wants litter, whether it's bags, cigarette butts or candy wrappers, it's unpleasant to see, and as texans know, it's not welcoming in our community to visitors that fuel our important tourism industry. We agree, we don't want to see any product disposed of improperly, but the fact is a bag ban doesn't solve this problem, nor does it address other forms of plastics. On the other hand, recycling does. Hilex poly has a record of leadership recycling. We operated largest closed loop recycling. The plastic bag your newspaper comes in, rerecycle that. The garment bag, we recycle that. The plastic bag over bottles, tissue paper, towers. We recycle all of that. We take all of those closed bags and wrap through a closed recycling system and turn them into new once, elevated bags with recycled content. The more material we content the higher recycled content we can put into our product. In texas we work with the kroger chain to implement a closed loop system that collects used bags and wraps, we send them to our recycling facility, we shred it, wash it, compound it and put them directly back into kroger bags. We'd like to see more successful partnerships like this. Implementing comprehensive plastic bag recycling allows us to keep bags and wraps out of landfills and repurpose them into new products. We're committed to growing this effort. We worked with retailers to distribute 30,000 recycling containers throughout the united states, to make it easier for people to take back their bags and wraps. Simply bring these bags and wraps back, put them in a bin and we will recycle them. Hilex recycled more than 100 million pounds since we opened our facility. Just in five and a half years 5 1/2 million pounds came out of state of texas of this scrap. That's enough material to manufacture more than 181 million new bags made of fully recycled products. We're proud of the work we're doing. We've invested tens of millions of dollars creating jobs to make advancement of plastic bag recycling. There's a demand for old bags and the more we recycle, the more green jobs we can support and create. We applaud the texas retail association for working its pilot program. The goal of that program was to reduce bags going to the lill by 50%. As john has stated, 20% decrease in the amount of bags given out at the front end, 74% increase in recycling of bags and wrap, and 907,000 reusable bags sold. It's impressive and we want it to continue. Recycling makes sense and offers a comprehensive solution. We urge the council to consider the true cost of banning plastic bags and look forward to the opportunity to provide plastic bag and wrap recycling. We hope to be part of that conversation and bring our expertise to the table. A bag ban is not the answer. It puts jobs at risk and does not address litter. Recycling provides a comprehensive solution that reduces litter, creates jobs and helps create a cleaner environment. Hilex poly and you're entire industry is committed to working with community recycling programs that are available and accessible to consumers but also helps achieve our collective goal of a cleaner environment. I encourage a no vote on this resolution. Please recognize that your vote today will affect all of these people and the ones that went home today. Their jobs tomorrow. I thank you for your time. [Applause] thank you.

Mayor?

Mayor Jeffingwell: Mr. Dacouncil member Martinez. Daniels, you're sustainability director.

Vice president of sustainability and environment --

Martinez: Sustainability. I apologize. So you're based in Dallas. Your company is in Dallas. There's three different shops around the Dallas area; is that correct?

That's correct. And so Austin is probably just a fraction of your market and plastic bags for grocery stores are probably just even a smaller fraction, because when I look at your web site you have eight different plastic products, some of which are biodegradable, which I applaud. I think that's a good thing.

If I may interrupt, there's no such thing as a biodegradable plastic bag.

Well, then I don't applaud you. --

We have what's called a photo degradable additive that can be put into our product, okay, that will fracture in the environment, but we have kind of discontinued that due to the fact it corrupts the recycling stream. My point is, I absolutely understand your fear and concern, and you're probably right. If other cities in this country start enacting this, you're right, you have to change your business practice, but Austin, Texas, looking at the possibility of a nonspecific product bag ban, a single use bag ban, I hardly doubt will have an impact on Hilex. And I'm not asking the question, I'm just telling you. You know, and as a sustainability officer, you know, I would think that you wouldn't bus folks from Houston and Dallas or wherever you did to bring them here to sit in our audience and then if you're the vice president of the company, why don't you give them the day off tomorrow with pay for being here all day and having to sit. [Applause]

We did give them the day off today with pay, and time and a half. Why don't you give them tomorrow off? You sent them back so they can do work at 5:00.

We have work to accomplish, sir, every single day, and if I may answer one question, this is certainly not a single-use item. Between -- especially here in Austin, with the tremendous amount of recycling and the reuse rate, it's a 78% reuse recycling rate for this product. Why would you want to ban a product that has the best sustainability of any carry-out product in the United States. The product that you want to have replaced with these reusable bags are nonwoven polypropylene. They're manufactured in China. They are not recyclable. They have to be washed after every use to prevent cross-contamination. You don't want your chicken juices commingling with your vegetables.

We'll take that into consideration. Those are exactly the things we'll continue to contemplate as to any policy moving forward, and if your reuse rate were truly what you say it is, I think that's based on a 100% that everyone is using if and if that were the case we wouldn't have as many as we do in landfills and floating all over this globe. So I respectfully disagree that, you know -- that this is one of the most sustainable products on the planet. I just -- I don't understand that comment. But I do appreciate your taking the time to be here all day. I know it's been a long day for you as well. I just -- you know, when I look at your web site and you tout yourself as one of the leading companies in the world for plastic products, I just don't -- it doesn't resonate with me that we're going to now shut you down and hurt your jobs. I think you're going to do just fine.

Oh, this will shut us down. Thank you, council member. [Applause] Council member Spelman. Daniels, just another question, if you could. Thank you, sir. I've become accustomed to believing the best way to recycle is to reuse, and like many people I've got a lot of plastic bags, especially when I go to the supermarket, I don't have a pet but I have a lot of other ways to reusing these bags. Eventually I

recycle them and I have big -- I think bachelor takes his bags every month. I wish I were as assiduous as he is. They build up longer than he does. I'm familiar with the recycling operation and I'm familiar with the idea that the vast majority of this stuff in these bags can be used again, but I've become accustomed over the years to believe that the best way to recycle is to reuse and the best way to reuse is to have a bag which is sturdier, and we've been talking mostly in terms of cloth bags but there's no reason they have to be made out of cloth, they can be used [inaudible] your light bags, they can be used more than two or three times. Can you get into the market of making bags which can be used over and over again is this.

That's a very good question. You know, one of the reasons that, you know, these products are given away for no cost to the shopper is because they hold, you know, a tremendous amount of weight, over a thousand times what the weight -- it's a 5-gram bag, if you will, and it holds, you know, 17, 18 pounds. Okay. Because it is an inexpensive product and the grocers are giving them away, we have designed with these high molecular weight densities to be able to thin out the reduced part of the epa's reduce, reuse, recycle, you know, paradigm. So with the fact that we have developed a technology over the years, you know, bachelor can attest to this with high molecular weight, high density, you can thin the bag to make it thinner and yet stronger with high molecular weight, high density. And that's one of the reasons we've done that. And the equipment in turn has been designed to be able to handle those thinner, stronger products. If we were to go and make that bag 2-mil instead of a half a mil, we'd have a lot of problem seaming the product, it would slow the production product down and as a result the bags would not be honestly -- it would cost us hundreds of millions of dollars to retool and then to go into the reusable bag problem that's always going to be an import problem because of the labor it costs to sew that bag together.

I was looking at your rhino bags which look like they might last as long as the cloth bags we're getting --

some supermarkets prefer that rhino bag and really the idea behind that is to try to move from getting five items into a plastic bag to getting 6, 7 or 8 items. But the utility at the home it is the same, whether you have a pet or not, your kitchen pan liner, every consumer has a choice as well to use grocery bags instead of putting it into the recycling container, they can repurpose them for taking grocery bags out as well. That's a consumer choice that -- and we -- you know, we're not against paper bags. You know, I use paper bags. You know, I get them from the grocery store once every six weeks or so because I put my newspapers in the plastic bags. I use reusable bags to go to the library because it does a good job of holding half a dozen books. But the most bags I use is the plastic bag. I have two dogs. I've got kitchen -- I've got kitchen can liners and things like that and those that I do not reuse, the bachelor, I bring the garment bags, the newspaper bags -- I get 365 newspaper bags and that's only if they don't double bag, you know, every year. All that stuff comes right back with me to -- in my particular instance, to the kroger store. when I go to the supermarket they sometimes offer me a choice and sometimes they don't. Sometimes they just use plastic bags. I'm guessing this is because plastic bags are considerably cheaper than paper bags. Can you give me a sense without preaching any proprietary information, can you give me an idea what the cost of one of your bags is?

It really depends on what the cost of natural gas is in the energy market, quite honestly, but normally fluctuates between a penny and a penny and a half for a typical grocery store bag. Paper bags run anywhere, I would estimate, from six cents for just a typical 1/6 round for about 20 cents for ones that have the handles.

Good heavens, 20 cents.

Yes. To give you an example, when safe way -- I'm sorry, when San Francisco banned plastic bags at grocery stores in San Francisco, Safeway stated -- I think they have 13 or 14 stores, it cost an additional \$900,000 in the cost of bags, not the cost of transportation, because it takes 7 truckloads of paper bags to equal the one truckload of plastic.

\$900,000 A year?

That's correct.

\$1 per person in san francisco?

Yes.

Okay. So it's --

you're looking at 60 to 9 \$90,000 a store to go from plastic to paper is what i have publicly written in the san francisco chronicle.

And san francisco is about the same size as austin.

Yes.

Almost exactly --

I think it's close. I wouldn't know through census data yet.

And the numbers you were quoting is about between a penny and a penny and a half for plastic bag, the ones you're manufacturing, and between 6 -- well, upwards of 6 cents, depending how fancy the paper bags are.

Yeah, 6 to 20.

6 To 20.

The ones with the handles, you know, that are glued in, those are about 20 sentence.

Spelman: gotcha. Thank you very much, sir.

You're quite welcome.

I appreciate it. [Applause] katie porter? Katie porter is not here, signed up for. Ryan dunovunt, is not here, also for as is kristen fine. Andrew deviling, andrew deviling signed up against. And you have three minutes.

Thank you. My name is andrew deviling. I'm an austin citizen. I live down in southeast austin and I am against a ban. I'm going to have to read this because my brain is on dim right about now, so i apologize. yeah, we understand. [Laughter]

I would argue a ban -- i have to read it quick because I don't want to burn my three minutes. I would argue a ban on plastic groceries bags will not save the dollars as state indeed the press release. Direct costs would still be there, mainly because consumers would be driven to buy other plastic materials and they'd also be driven to buy paper. The waste management efforts would have to be expanded to handle the increase in volume. And the machines stoppage issues, the -- flying around landfills would continue. That wouldn't stop because the people that live on the outskirts of our city would shop in buda and kyle and all that and they work in austin and they'd bring the bags up here with them. This happened in other locations you try banning bags. One point to remember, the majority of cities who have a so-called ban on supplying plastic bags in one form -- do supply plastic bags in one form or

another, including san francisco. San francisco supplies a plastic compostable bag because they have a compostable waste management site. We all know the paper pitfalls. 70% More air space. It takes seven trucks of paper to equal one truck of plastic bags. Ten times more space in the landfills, four times more energy to produce, 85 more energy to recycle. What you'll do is you'll end up with more paper and you're going to be in a worse position environmentally than you are now. There are two key issues for, you know, myself, my family, my friends who live in south austin, that's texas jobs and choice. Over 90% of the plastic bags are made in the united states, and those bags -- and of those bags over 30% of the bags are made here in texas. My company is affiliated with super-bag and our jobs would definitely be affected by a ban in austin. The two -- texas supporting [inaudible] jobs in the economy, contrast 80% of reusable bags are off show, from the pacific rim. All the paper that's being recycled is offshore. People ask why we can't retool, make reusable bags. Well, it's physically impossible because there's no -- there's no commonality with the processes. If we tried to do that we'd have to start over, and there's no market for the reusable bag right now that could sustain what we have right now, plus we'd be hurting the very stream that we use every day for our recycled material. I struggle with the action that affects the economy, especially when it's unnecessary. We have in austin a process in place right now that absolutely works. Now, maybe we haven't enforced it. It was a voluntary program. I've been there -- as you know, mayor, I've been there from the beginning and it was a voluntary program that we really didn't take it to the next level. We can still do that. I assure you that that can't be done. Let's utilize what we already have. Thank you. thank you. [Applause] susana almanza. Suzanna almanza is not here. Erica luck. Erica luck. Erica luck? Well, we'll go to the next speaker and come back then. Kristino herrera. All these speakers are for, by the way. Sarah mesias. Carol harris? Carol harris? Okay. Well, you go ahead. We'll go back to sara.

Are you ready for me?

You're signed up for and you have three minutes.

Yes. Good to see you. It has been a long day. And thank you to the council for bringing this to the table. I'm speaking tonight on behalf of the steering committee of austin's interfaith environmental network, or ien. As you know, we don't have to read very far in some of our scriptures to read that god saw everything that was made and indeed it was very good. It was very good and then we were placed in its midst as god's care takers. Well, here we are. Today interfaith environmental network is here to say thank you and to proclaim this resolution 21 on your agenda as good news, to a part of god's creation called austin, texas. Interfaith environmental network supports the approval of a comprehensive phase out of single-use retail plastic bags offered at retail check-outs within the city limits. But as care takers and stewards we can and so we must do even better. Single-use bags, both paper and plastic, represent a huge threat to the environment. As the first community in texas to adopt a zero waste plan, we need to be the second city in texas to switch to reusable bags. This will result in not only more earth friendly consumers but will save the taxpayers, as it mentioned already, a minimum of \$850,000 and businesses twice that amount. The only concern that i heard this morning when there was some discussion about it, and it is a valid concern, but it isn't one that we can address, is that if we're not careful this may be a burden to our lower income residents. This is a moral concern, but again, this is one that we can address. So interfaith environmental network does add their support with two qualifiers: Expand this resolution to both plastic and paper, and secondly, with a portion of the taxpayer savings identified, develop an effective mechanism where reusable bags can be provided to austin's low-income residents. Then with a cleaner more comprehensive and affordable approach, we will tread more lightly on this portion of the earth that we call home. And at that point, yes, there may be a negative, perhaps I would say temporary impact to those companies that make plastic bags, but good companies respond to the market, and we are the market. There are three brief quotes that I want to offer from various faith traditions, other than my own, that speak to me and may shed some light for you as well. As some of you know, I'm a baptist, but I'm quoting pope john paul ii who said, when man turns his back on the creator's plan, the seriousness of the ecological issue layers bare the depths of man's moral crisis. This can be very good news. thank you. Thank you, sara. [Applause] and before we go to the next speaker, I was having such a good time here I didn't realize it was 10:00. So we need a motion to extend the

meeting past 10:00. Council member martinez? Council member spelman sec. All in favor say aye.

Aye.

Mayor leffingwell: aye. Opposed say no. Motion passes on a vote of 7-0. Erica luck? Where is she coming from? Oh, okay. We're going to go to the next speaker. Darrell harris? Signed up for.

[Inaudible]

mayor leffingwell: okay. Robin schneider is next. And donating time, courtney white? Courtney, not here? Lonnie og low-water crossing e, ogle, are you here, lonnie? You're -- okay. We'll take you out of that list be then. Roy whaley. Roy is here. Macy holderness is not here, so you have one, two people donating time, so you have up to nine minutes.

Thank you very much, mayor and council members. I want to also thank you for bringing this back to council. You've been wrestling with this issue since 2007, and i think it's time to move forward with something comprehensive. When this issue started in the city and really across our country, it really came primarily out of a concern of the new revelations about the marine pollution, how bits of plastic had become so prevalent. Sometimes people say even more than plankton, in our oceans. I don't know if that's true or not, but it is a humongous impact on our oceans, and this would be the plastic pollution. And also because of the litter concerns. For instance, in brownsville, it was really the litter concerns that were foremost with plastic bags flying all over the place. However, as we've gotten more into this issue and as the plastic bag manufacturers and reichlers have made their oh recyclers made their case about the relative merit of plastic and paper, the paper bags do have a big impact on our environment. The best studies that I've seen so far are the ones that are 30% recycled content. It would be good to have 100% recycled content studies. I haven't seen any of those, but we do need to look at both of these. The costs are there. They are -- although the grocery stores are giving them away, we are paying for these bags in the price of our groceries. So in my book they are not really free, even though we kind of think of them as free. So the figures so far that we have is 263 million check-out bags, and my understanding is that just includes the plastic check-out bags, so when you add on all the paper check-out bags we're talking even more, but we don't know exactly how many more. At least I don't. Maybe someone does. But we're talking about a lot of money, if the figures that we just heard were right, we're talking about 6 million for plastic bags that we're spending within our grocery bills here in austin, and so it would be six times that, if his figures are right, for paper bags if we switched wholesale from plastic to paper bags. That's a big increase in what we could be spending as consumers -- that's assuming that there are as many paper bags given out as plastic bags.

Right, that's a good point. That there will be fewer because you fit more items in the bags. But it still will be, i think, overall an increase in terms of what we would -- what the retail stores would have to spend and what we would have to absorb in our -- in our grocery bills. The issues -- there are a number of issues that have come up with regards to the voluntary program, and so I -- I looked at the numbers, because the goal was to reduce the plastic bags going to landfills by 50% going to the lill of the participating -- landfill of the participating retailers, and obviously there were many, many retailers that did not participate. But what we saw, actually, when you add up the average pounds purchased before our -- in the base period, 5 million pounds of paper -- of plastic purchased, that went down to 1 million pounds purchased. The amount recycled, though, comes nowhere close to the amount of pounds purchased, 215,000 pounds recycled, went up to 304 pounds. So it did go up. But when you look at all these numbers, you still have 847,000 pounds of plastic in the waste stream out of the 1 million pounds purchased by the stores. So wound up actually being a 37% reduction in the bag waste, not the 50%, and they're only dealing with those large retailers that were supposed to be trying to make a point that this could be done by recycling. This is all got going in 2007, we adopted a zero waste plan. We have a climate protection plan, and I just think 37% is not enough to get to zero. Hence your -- the resolution before you now. We are -- have heard some concerns about what the penalty might be, and I just want to -- that's obviously something that should be discussed in the stakeholder meeting in brownsville,

which I think we should look to as a model. The penalty is \$500 on a retailer. There is no penalty on a consumer for using a plastic bag or, you know, a paper bag in brownsville. No one is going to jail for using those items. So I think that given that the retailers stand to save lots of money because they're not going to have to purchase these bags, I think that these \$500 fees, you know, are really not going to be even necessary because I don't think that if the law is in place, that anyone is going to have a problem with that on the retail level. On the fee issue, as was mentioned, ireland put a fee on the bags. has gone with a fee on the bag. saw an 80% decrease in the check-out bags being issued when they had that 5-cent fee. Still leaves 20%. In austin that 20% is 52 million bags a year still. So I think that if we want to address the issue, that's a lot -- still a lot of bags out there. I understand legal department has raised some concerns. Obviously those would have to be worked out. We had -- heard lots of different things from various cities about whether cities can do this or not. In addition, you know, we can reduce the cost to austin taxpayers as residents if we clean these up. I wanted to cover some of porter and suzanna almanza made at our press conference this morning. , as you know, is the immediate pastor of the solid waste advisory has come up with an excellent idea which is to increase the manufacturing of reusable bags here in austin by tapping into another waste stream, which are textiles, about 5% of our waste stream, and to -- through the stakeholder process and maybe some other processes look at microfinance opportunities and economic development opportunities. He's actually spoken already with a large nonprofit that does a lot of reuse, is very interested in this, and that they could use -- have two revenue streams, not only the sale of the bags, whether it's to retailers to give them out or the city or anybody else to give them out or to sell them directly, but also to advertising possibilities on those single-use bags. Suzanna almanza conveyed to us, and her grandson actually spoke at the press conference as well, about the problems of single-use bags on the east side. They do a youth cleanup project at the oak springs park, and suzanna and her grandson relayed how much the bag waste at oak springs park actually blocks the springs at oak springs, and she -- she is very supportive and her grandsons are very supportive of this effort. Of course we all want to make sure that folks -- low-income folks have access to reusable bags. A great idea came up in our meetings this week with you and your staff about having some kinds of bag exchanges where people who have more than enough bags can make them available to people who still need them, and so i think that here in austin we can come up with all kinds of creative alternatives and opportunities to make these bags available to folks to cut down on our waste and move us closer to our zero waste and climate protection goals. I'd be happy to take any questions. thank you. First of all, I totally -- we're not into this level of detail yet, but there certainly are not going to be any bag police.

Right, no bag police -- walking through austin. I don't think we need to be further concerned about that. The second thing I think most people agree with you and your comments about paper bags, single-use bags, more expensive, all those things are true, but the big difference is our single-stream recycling system can handle paper bags but not plastic bags. And so, you know, this is going to be developed -- a process which somehow I feel confident you'll be involved in the stakeholder process going forward, and -- but i think we're going to have to consider that plastic bags a first step and then figure out how to modify/reduce/eventually phase out plastic bags, but that's just my thought --

you mean paper bags? paper bags, yes.

I mean, I think that, you know, we are open to a variety of things. I think the advantages of just going ahead and doing it in one fell swoop are that instead of costing retailers and consumers money and making a switch from lots of plastic to lots of paper bags, that it's going to increase our costs. And that the concerns about paper bags are not so much on the back end, because there are the recycling opportunities. The concerns are more on the front of the manufacturing, and the amount of energy it takes to manufacture them and then also the amount of energy to transport them. So while the manufacturing does not take place in austin, as far as I know, the transportation, increases of truck traffic does affect austinites. So this -- if we really went full bore to reusable bags, the way brownsville has, then we get the decreases in expenses to the city and to the retailers and that hopefully passed on to the consumers as well as the environmental benefits all at once. well, we're going to have this discussion in the next month, see what happens. Council member morrison? thanks, robin, and I just wanted to remind folks that during our work session we started to have this conversation, and I -- it was

important from my perspective that we consider the issue of a total ban or just plastic, you know, now and that we look at the consequences and study them carefully, and I did ask geterd if he thought he had enough leeway under this resolution or did I need to bring another resolution and make sure we make this conscious decision consciously. And he said he could help lead this discussion under that resolution so that is foreseen.

Great. it is definitely on the table. Thank you. Next speaker, jim stewed studabaker is against. And you have three minutes.

I am here as a resident. I don't benefit off of this in any sort of way. I am not a lobbyist. I live in oak hill. I'm a single mom, I work, i have four children. I'm here because I don't think that this has been thought through properly and I don't think enough people have been involved in this decision to even go forward in this. I have never seen also a better argument for single-member districts than this right here because i don't feel like all the areas in oak hill are -- or the areas in austin have been thoroughly looked into to see what they actually believe that, you know, is in here. So I do not support pollution by any means, but I do not believe that this ordinance has been thought through. What is being proposed is that we criminalize trash. I'm far more for incentivizing good decisions. Sometimes, you know, good intentions have unintended consequences, and that's what I believe will happen with this. What happens if you do give out a plastic bag as a retailer, you get fined, and in the end fines get turned into jail time. If I get fined parking meters I'm going to jail if I don't pay that fine. It may not go to that now, but recently I believe the mayor said we need to follow in the world's footsteps, india, china, ireland, and it's time. Well, did you know that india actually criminalized this where you can actually go to jail as a consumer with a plastic bag up to five years? So I don't think that we should be following in third-world countries' footsteps. Let's take up the environmental aspect. The argument is that plastic bags are bad for the environment but have greater environmental impact than paper bags, take up too much room in our landfills. Plastic bags only take up 5% in our landfills, as opposed to diapers are 5%. So my thing is we're going to plastic -- I have four kids. This would be a hardship on me and my family, and other families here. I start to worry that this is the gateway, this is the gateway drug. And so that's my problem. Right now banning diapers would be political suicide, but what's in the future? We can never predict. The alternative to plastic is paper sacks or canvas bags. For us with children the idea of carrying 40 bags into a store with 40 bags would be daunting. Paper would be the option. What is the carbon footprint of a paper bag. It is a higher footprint than plastic ones and i believe they talked about that, it's just the trees and the amount of energy it takes. And also biodegradable. Most landfills are airtight so nothing biodegrades, so even if they went in the trash. Another thing is -- so we have everyone buy these canvas bags. Now we're putting hardship on lower income families. Now they have to use water to wash those bags and basically I want to propose a study and hopefully maybe put this to a vote of the people if this is a people issue, so -- thank you. [Applause] stacy goodry? Stacy goodry?

I'm donating my minutes. to who?

[Inaudible] john bush. John bush is not here. Steven sheftal. Not here. Ronnie reeferseed? Not here. Rachel mcclure? Rachel mcclure for and not here. is signed up neutral. I don't see him. He's not present. Richard yusanio. Richard yusanio. I don't see richard. He signed up for. Robin schneider x? Probably attack -- [laughter]

[inaudible]

mayor leffingwell: okay. John steven? John steven signed up against. You have three minutes.

John stevens, drove in from houston today. It's been a lovely day [inaudible] 8:00 a.m. I work in the recycling industry. I'm an executive in the recycling industry. Been here 15 years. I'm on the board of directors for keep texas beautiful, and breckers for plastic -- board of directors for plastic recycling. Do you have this resource in your packet? By show of hands do all of you know this items can be recycled at your participating retailers? Do all of you-all recycle these? we don't do polls. Just go ahead and

speak. [Laughter]

just asking. I just want to make sure, you know, we all know what options are out there. You know, one of the things that, you know, concerns me is we have an infrastructure in place. Our industry is in extreme need. We need more volume, more plastics. By the volume that are here today, what's here in the market, there may be more than what's even talked about today. Our company recycles here in the state of texas over 27 million pounds of plastic film and bags. and latin america. [One moment, please, for]

austin is supposed to be a city of leaders. It's where our state capitol is. You don't need to volume brownsville, you don't need to volume china, whatever it is. They've talked about the numbers, talked about jobs. Do you know what? For our company, I don't need the recycled plastic bags. We do it because it's a convenience, a commodity. We make money off of it. We're a for profit business. If you ban plastic bags in every city and there is no longer the option to recycle, we will recycle another commodity. If you contaminate the streams, we won't recycle any of the plastic film and bags we're handling today. [Buzzer sounds] it's important to work with the infrastructure and the stakeholders that are already participating today.

Mayor Leffingwell: Thank you, john. Tevis trailer? Not here. Erika luck? Erika luck. Lonnie ogle? Stacy guidry, I believe i already called your name. You're donating time to lonnie. Both for. So you have six minutes.

Nine minutes?

Mayor Leffingwell: You have up to nine minutes.

Thank you all so much for your time today. I know it's the end of a long day. I'll try not to take the entire nine minutes. My name is lonnie and I'm a homeowner here in austin. And I am coming to you today to tell you that I do support the plastic bag ban, but for a lot of the reasons that folks have already given, I strongly urge you to include paper bags in the ban as well. Financially paper bags are a lot more expensive. Environmentally as you've heard, the impacts are a lot higher using them in terms of the manufacturing and transportation. And legally -- I'm a layperson, I'm not a legal expert, but from the research I've done on issue, it seems that most of the communities that have banned plastic only, they're the one who come under fire for lawsuits from applications industries claiming that there's some sort of unfair business advantage for paper bag manufacturers. So it's something that i would encourage your legal staff to look into. As far as responsible risk mana if we' going to go and ban plastic bags, we should include paper as well. At the very least I would strongly urge you to fast track an assessment or looking into the matter so that that information is available during the stakeholder process while we're considering the specifics of this ban. That said about paper, back to plastic, and speaking about the money that we I'm sure you're all familiar with the city report that came out last year that showed that \$850,000 is spent as a community annually to manage plastic bags, waste or disposal. And for private businesses and private property it's estimate that had that amount is doubled. So substantially reducing our plastic bag consumption has great potential to reduce our costs as a community. In terms of litter abatement and in terms of increased operational efficiencies in our wastewater and our recycling infrastructures. Again, I'm a layperson. I can't give you exact numbers, but I'm sure that it's something that we could quantify. I want to address a couple of the issues that's been raised by folks who are opposed to this proposal. With regards to some of the sanitary concerns that have been raised, just briefly here, I've heard raised as well, yeah, it's true bacteria can accumulate in reusable bags, but that's a potential problem that is easily avoided through, number one, in the stakeholder process we could exempt sanitary bags for meat and produce that grocery stores currently offer and that could deal with a substantial chunk of that problem. And also through public education and letting folks know yes, it is true you do need to wash your plastic bags, your reusable bags rather between uses. That's really not that big of a deal. I have a lot of reusable bags right now and when I'm doing laundry anyway, i roundup the bags and I throw them in with the towels. Not a huge deal. Some

people have mentioned that -- implied that somehow we have a right to have a bag, a plastic bag when we purchase things. It's a commodity and a convenience that we've grown accustomed to, but I don't think see any historical precedent to suggest that we have an unbridled right to a one time use bag. Being inconvenienced, yes, is a small price to pay, but I don't see how getting a reusable bag is that big after deal in that sense. And with regards to a person's freedom or ability to make a choice about which bag to use, I would argue that a bag ban, a single use plastic bag ban, would actually provide customers with more choice. Currently anyone who shops at a retailer that distributes plastic bags subsidizes that cost through the price of all the products on the shelves. If you institute a ban then people make a choice about whether or not they want to pay for that process. From what I understand in the basic outline of the process there's nothing that would unequivocally prevent somebody from selling these sorts of bags to someone. I gather that it's just we shouldn't be giving them out for free. So I just don't really think that argument holds any weight. And there's been a lot of discussion about reusing and recycling these bags. I'm not going to argue -- stand here and say it's bad for us to do those things. It's good to reuse and recycle these items, but I definitely take issue with the notion that those efforts are sufficient to deal with quantities that we have out in our community today. Sure a lot of people save their plastic bags for reuse, but a lot of them do get thrown away seconds after the original contents are removed. And for most people who do save their plastic bags for reuse, most people seem to gather them and accumulate them faster than they can go through and reuse them. I know I have at least one or two plastic bags in my pantry that are stuffed full of other plastic bags just waiting for me to reuse and I don't know anyone who goes through and reuses them as fills up their tiny trash can in their bathroom often enough to use up everything as often as you go to the store it doesn't happen. And saying that these bags are going to be reused to clean up dog poop or clean your litter box or whatever, it seems to me that if you reuse that plastic bag for its second time to put waste of some sort in it, that bag will not be able to be recycled because it's contaminated with what's inside of it and it goes in the trash and ends up in the landfill. So you either reuse the bag or you recycle it, but I don't see a lot of circumstances where you can do both. And from everything that I understand, through cursory research, of course, because I'm a layperson, I haven't seen anything that suggests that more than a couple one, two, three, five, more than 10 percent of the bags that we produce are actually recycled. You've heard a few folks from the industry talk about the massive volumes of bags that have been recycled through their efforts. And I think that just shows that if we're only recycling a tiny percentage of these bags, and it's that much, that shows you how much more is out there that's not being counted. So yeah, I just don't see how it's impressive to have a certain percentage of increase in cycling plastic bags if the base percentage is incredibly low to begin with. We have known for a long, long time that plastic bags are a problem for years. And if voluntary efforts to recycle are enough, then we wouldn't be talking about this today. Individuals are not going to change their behavior unless we provide incentives for them to do so. And I just wanted to make a comment that someone commented on the voluntary recycling effort that we had here a couple of years ago and said that maybe the voluntary effort wasn't more successful because it wasn't enforced, but that just logically doesn't make sense. You can't enforce something that's voluntary unless I'm wrong. And with regard to the idea of instituting a fee as Ireland or Washington, D.C. has done, that doesn't -- not only does it not reduce the consumption as much as we would like for it to, but it also doesn't -- the fee doesn't really account for the unquantifiable environmental costs, the facts that they're improperly discarded. I would urge you all to please move forward with this ban, but please incorporate paper bags as well for the sake of efficiency. I just think that it's something that should be fast tracked and that we are dealing with it all at once rather than expose ourselves to an increased possibility of litigation or to confuse the community at large with changing regulations over years and years. And this is something we've talked about since at least so I don't see any reason for delaying this comprehensive process any further. Thanks for your time. [Applause]

Mayor Leffingwell: John Cutski has already spoken. Dave Rodell. Dave is against and has three minutes. Mayor, councilmembers, I'd like to speak in favor of plastic bags. Okay. Use your imaginations for a minute. Here is a plastic shopping bag. Oh, here's another one. I'll just put it in there. Another one, I'll just put it in there. And the next time I go to the store I'll drop it in the recycle bin. It's really that easy. [Applause] to recycle plastic bags. So instead of banning something that is so easy to recycle, I would like to suggest that we encourage people to recycle them. By offering a one-cent store credit for every

10 bags that they bring back. That would encourage more people to recycle the bags, but it would also encourage the homeless people to go out there and collect all the bags in the environment and bring those back for recycling. After all, it worked for aluminum cans. They used to be everywhere. And once we offered a small refund for aluminum cans, they were brought back and now you hardly ever see one. So instead of banning plastic bags, let's offer a one cent for every 10 bags returned store credit, and I think that will clear up the problem. Thank you. [Applause]

Mayor Leffingwell: Those are all the folks that I have signed up wishing to speak. We have seven more signed up for, not wish to go speak. And 37 for signed up against, not wishing to speak. I'm not going to read all the names. They are a matter of record that the clerk can record. So councilmember martinez moves to approve item 21. Councilmember morrison seconds. Is there any discussion? Councilmember spelman.

Spelman: I'd like to ask a couple of questions of mr. gettard, if I could. Yes, bob getter, director solid waste services. getter, thank you for staying late with us. It's good to have company. [Laughter]

long day for all of you.

Spelman: This is a sufficiently technical, sufficiently confusing issue that I'm not really sure what I would like you to do, but I do know that I can think of a lot of good reasons for banning plastic bags. I can think of a lot of good reasons for banning paper bags. Of the two I'm probably a bit more concerned about paper bags than plastic bags, but that's because I live with a woman who saves trees for a living. And I can easily imagine how somebody might feel differently. I also, because my misspent youth as an economist, have a gut reaction in favor of fees or prices instead of outright bans. And I can see an argument for, for example, banning the free distribution of bags of any kind at the checkout counter, but allowing a retailer to sell them. And perhaps setting a minimum price so that they don't try and escape it by selling them for a quarter cent each or something ridiculous like that. So I can think of a whole bunch of different possibilities here. My question to you is can you conceive -- if we pass this resolution, would all those things be on the table as far as you're concerned for future consideration or only some of them?

Absolutely, yes. All of those issues can be considered. My goal, if this resolution is approved, is a pretty extensive stakeholder meeting process in the next four to six weeks. And some public sessions. And we want to brainstorm those ideas. We don't have to copy another city's ordinance. We can be unique in our approach.

Spelman: I'm happy we don't have to copy brownsville or fort stockton for crying out loud. So fees, bans, conceivably voluntary programs, I'm pretty sure those are going to work as well as our audience would like, but we ought to consider them. And both paper and plastic are on table stars you're concerned and all stuff you're going to talk about.

Yes.

Spelman: Thank you, mayor. I'm fully in support of this resolution.

Mayor Leffingwell: Further comments? All in favor say aye of the motion, say aye? Opposed say no. It passes on a vote of seven to zero. [Applause]

Mayor Leffingwell: Item number 23. Could I ask folks to hold the chatter down until you get out of the chambers? We have a few more things to do here. Item number 23, two speakers signed up. Mark williamson for. Is mark williamson here? Roy whaley signed up for. Is roy here? Those are all the speakers we have signed up. I'll entertain a motion on item 23.

Move approval.

Second.

Mayor Leffingwell: Who said that? [Laughter] councilmember riley moves to approve item 23. Seconded by councilmember martinez. It would be nice if you would call for the floor before you make the motion. All in favor say aye. Opposed say no. It passes on a vote of seven to zero. 25. Five citizens signed up to speak. Clay defoe. Signed up against. You have three minutes.

Good evening, here as we are approaching midnight. I think we're at 13, 14 hours now. I never thought I would have you all in a room practically on myself. How amazing. [Laughter] all right. Number 25, let's read it. I like reading. I'm a reader. Mr. mayor. This is to approve a resolution directing the city manager to transmit copies of this resolution supporting federal legislation to regulate conditions for egg laying hens to federal officials. I'm against it. I'm not going to take a lot of time up here on this one, but I'll just say was there a national government, a general federal government that regulated conditions for egg-laying hens in 1776? Council? Did that exist? No? Thank you, mr. spelman. Did that exist each 100 years ago? Maybe that's when that started. I'm not sure. We'll have to look at the history, but I mean, back to the individuals. We are a nation of individuals, not of government agencies. I know that's sometimes hard to remember when you guys have to deal with all these different groups and regulations and laws that are making our society crumble under their weight. And you know, I like to buy eggs from farmers markets. I like to talk to the farmer who takes care of the hens. And who knows their personalities, who can explain what day they popped it out, how they looked when that egg came out are on when they found the egg, where they found it. I think that's interesting. That's the kind of food i want to eat. I don't want to eat highly processed, genetically modified food. And if we look at what the federal government is doing in so-called food protection, it's a disaster. We need to get back to local farming. I don't know if you've heard of the local board movement, but it a movement, a food movement where people are trying to eat all local products. And I call this the snitch resolution because we're trying to snitch on our neighbors and get the federal government involved. This is I believe on the council's own accord. This is out of the blue. I'm sure there's something more behind it. I don't know about it. I don't have time to research every single detail. I expect you guys do, but please protect our food safety and let's keep it local. Vote no. Thank you.

Cole: Thank you, clay. Next we have ronnie reeferseed. Oh, reeferseed. Ronnie, are you in the chambers? Okay. I believe that's all the speakers that we have. She didn't want to speak. No more speakers. Comearnz makes a motion for approval. Is there a second? Councilmember martinez. All in favor say aye?

Mayor Leffingwell: Opposed? It passes on a vote of seven to zero. The second was councilmember spelman. So we're through with all those speakers?

Cole: Yeah. There's number 28.

Mayor Leffingwell: Clay? One more. One more time that you speak from the gallery and I will ask you to leave the chambers. Item 28, clay defoe signed up against.

Good evening again ladies and gentlemen. I would like to apologize for that out burst. I like to maintain decorum. I'm getting too comfortable I'm sure I'd like you on a personal basis. All right. 28, Approve a resolution establishing the charter revision committee to gather public input and provide council with recommendations regarding proposed charter amendments and districting plans. Most dangerous item on this agenda. That's probably why you're hearing it last. How we are represented is key. How we are represented is key to our ability to voice our opinions as a community. And to truly establish a rule of law government driven by grassroots democratic action rather than corporate social planning, which only serves to enrich the elite. mayor desire to extend the council term limits to another term? For his own sake, ladies and gentlemen. Patrick henry warned us in 1788, he warned us to protect that sweet,

delicate jewel known as the public liberty. Well, ladies and gentlemen, I'm asking you to protect this public, sweet public jewel today and say no to this mayor's self-driven single member districting scheme. Austin is a large city, porous, many times without strictly defined neighborhoods. Unlike northern cities, austin is accessible in its areas flowing to one another seamlessly. So artificially create geographic representation may become a staster. The only true single member district proposal which i would accept would be one that included 10 councilmembers representing geographic areas drawn by the actual citizens, not a city commission oi painted and -- appointed and beholden to this council. And in this proposal, which I would be willing to accept, I would request that city councilmembers be returned to their rightful place by being limited to two terms and by serving in their position without salary. City councilmember is a part-time position in many towns and cities across our nation. There is no reason why austin can't do like the others and economy in government. The problem we have is one of power. Power unchecked and unbridled. The mayor will advance hazard objectives to maintain his seat and maintain higher office, but I as a true austinite will not stand idly by as the life hood of representation, our sweet democratic institutions are swept aside. This is an attempt to limit public participation. This is an attempt to limit the ability to run for office. And to create a permanent corporate stasis on this council. This is an attempt to undermine the underpinnings of our democracy! I am now instructing you as your constituent to vote no. Please maintain the grassroots integrity of the proponents of single member districts. [Buzzer sounds]

Mayor Leffingwell: Next speaker is ronnie reeferseed. Ronnie is not here. Those are all the speakers we have signed up.

Mayor Leffingwell: Mayor pro tem cole moves approval of the motion. Seconded by councilmember morrison. All in favor say? Opposed say no. It passes on a vote of seven to zero. So that's it for our agenda today. Without objection, we stand adjourned at 10:55 p.m.